



Strauss Group LTD.

# Quarterly Report

## as of September 30, 2025



Board of Directors	Ofra Strauss, Chairperson
	Shaul Kobrinsky, Deputy Chairman
	Adi Strauss
	Galia Maor
	Dalia Narkys
	Dorit Salinger
	Dalia Lev
	Ravit Barniv
	Yaniv Gerti
	Annette (Anat) Gabriel
Chief Executive Officer	Shai Babad
Corporate Secretary	Yael Nevo, Adv.
Auditors	Somekh Chaikin KPMG
Registered Office	49 Hasivim St., Kiryat Matalon Petach Tikva 4959504

[WWW.STRAUSS-GROUP.CO](http://WWW.STRAUSS-GROUP.CO)

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Strauss Group Ltd.

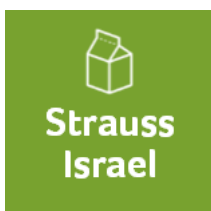
# Introduction



# Company Profile

**Strauss Group** is a conglomerate of industrial and commercial companies operating in Israel and abroad, primarily engaged in the development, production, marketing and sale of a variety of branded food and beverage products. The Group is also active in the development, marketing, servicing and sale of water filtration, purification and carbonation products for home and office use. The Group is guided by its purpose 'Nourishing a Better Tomorrow'. Strauss was established in 1933 and is now listed on the Tel Aviv Stock Exchange's flagship index, the TA-35 Index, which includes the largest public companies in Israel. According to non-GAAP financial measures, Strauss's total global annual revenues in 2024 were over NIS 11.2 billion. Strauss is active in 11 countries and operates 24 production sites.

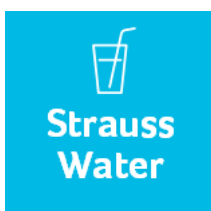
## The Group's areas of activity



The second-largest food and beverage group in Israel in terms of sales turnover (based on StoreNext<sup>1</sup> data). Strauss Israel encompasses 11 business segments; operates 14 sites, which include production plants and logistics centers; and has 5,800 employees.



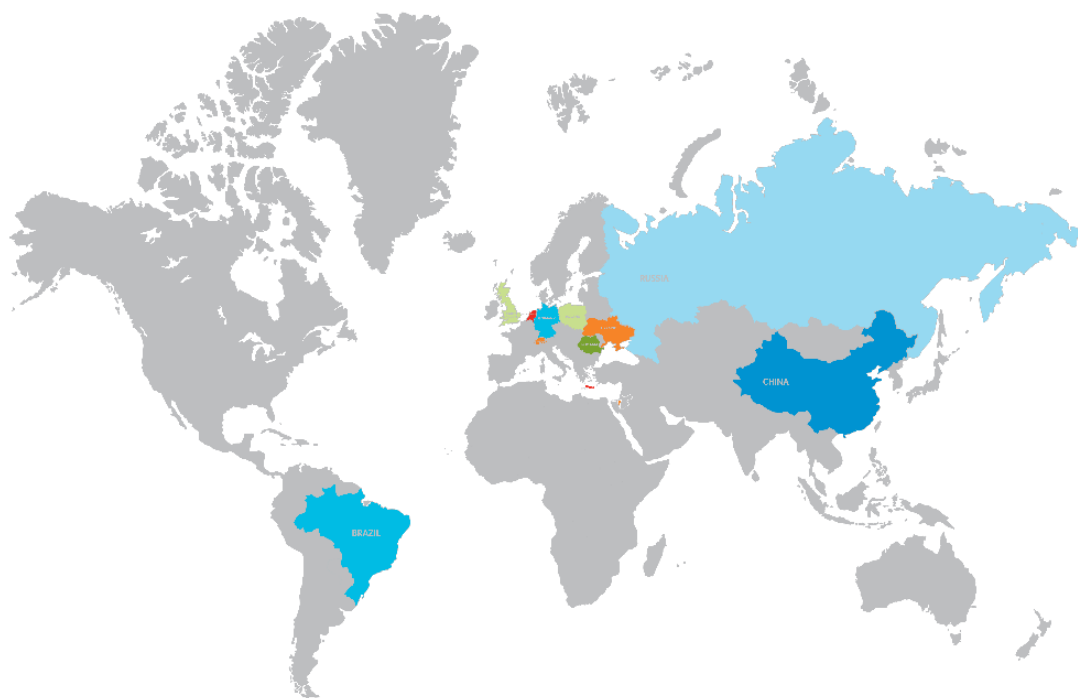
The group's coffee operations (including 100% of the activities of the joint venture Três Corações (JV)) rank third in the global retail coffee market in terms of market share (according to 2024 Euromonitor data). Strauss Coffee is active in Brazil, Russia, Ukraine, Poland, Romania, Germany, the Netherlands and Switzerland.



A leading international company specializing in high-quality purified drinking water solutions. Strauss Water's primary markets are Israel, China and the UK.

<sup>1</sup> The data for the 2025 year has been adjusted to reflect the correct calculations according to the Storenext report published on October 12, 2025.

## Global presence



**Strauss Israel**  
Israel



**Strauss Coffee**  
Holland  
Brazil  
Romania  
Switzerland  
Poland  
Germany  
Ukraine  
Russia



**Strauss Water**  
Israel  
China  
UK

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## Collaborations and innovation

Strauss is a party to collaborations with several leading multinational corporations such as São Miguel, Danone, PepsiCo, Haier and Culligan.



# Summary of Q3 2025 Financial Performance

All financial information in this section is in accordance with the Company's non-GAAP reports:

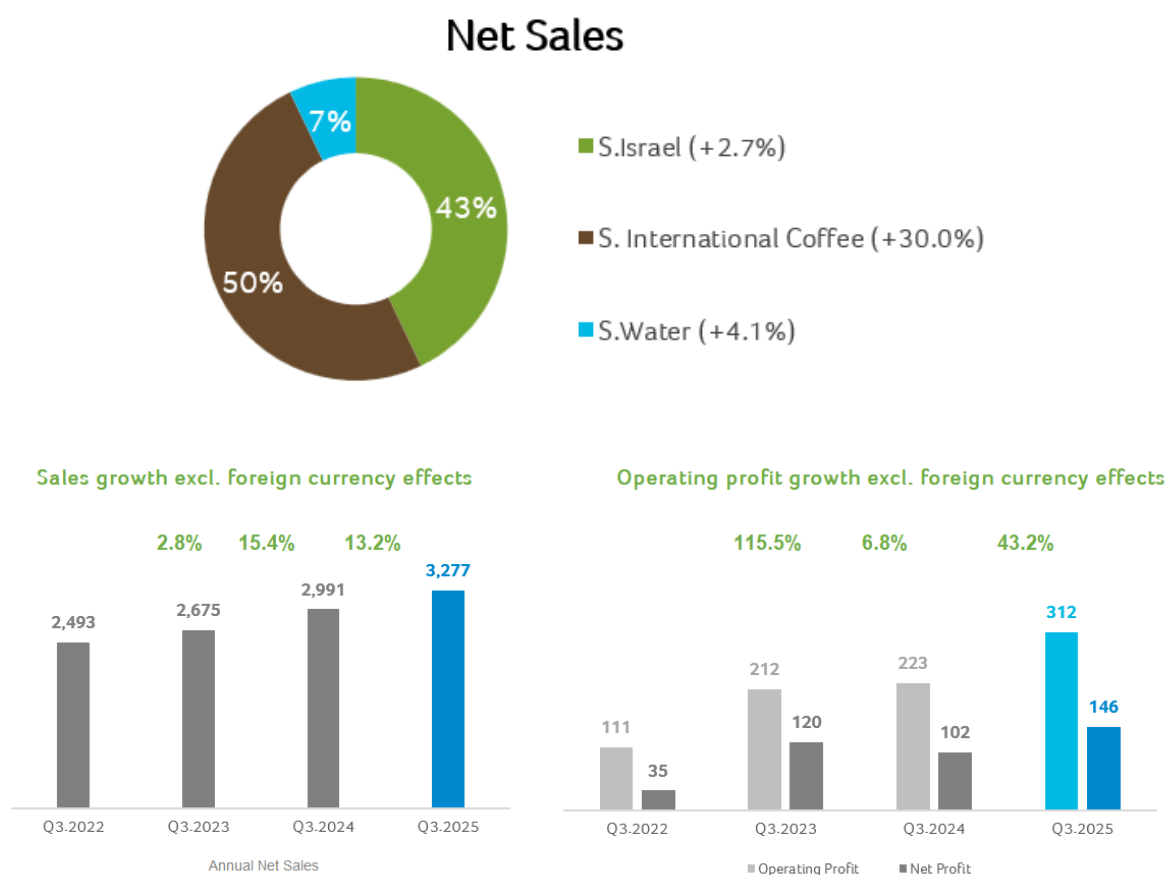
<b>3,277</b> <b>NIS millions</b> Net sales	<b>13.2%</b> *Organic growth (excluding foreign currency effects)	<b>9.6%</b> Total growth in sales
<b>312</b> <b>NIS million</b> Operating profit	<b>43.2%</b> *Change in operating profit (excluding foreign currency effects)	<b>9.5%</b> Operating margin
<b>146</b> <b>NIS million</b> Net profit attributable to shareholders	<b>42.7%</b> *Change in net profit attributable to shareholders	<b>NIS 1.25</b> Earnings per share
<b>415</b> <b>NIS million</b> EBITDA	<b>27.5%</b> *Change in EBITDA (Excluding currency effects)	<b>367</b> <b>NIS million</b> Cash flows used for operating activities
<b>245</b> <b>NIS million</b> Free cash flow	<b>343</b> <b>NIS million</b> *Change in free cash flow	<b>307</b> <b>NIS million</b> *Change in cash flows used for operating activities

\* Compared to the corresponding quarter of the previous year.

## Selected financial data for Q3 and for the first nine months of 2025 :

NIS million	9M/2025	9M/2024	Change	% change	Q3/2025	Q3/2024	Change	% change
Sales	9,340	8,334	1,006	12.1%	3,277	2,991	286	9.6%
Organic growth excluding foreign currency effects	16.4%	6.9%			13.2%	15.4%		
Gross profit – non-GAAP	2,609	2,626	(17)	(0.7%)	960	911	49	5.3%
% of sales	27.9%	31.5%			29.3%	30.5%		
Total operating expenses	1,879	2,066	(187)	(9.0%)	651	694	(43)	(6.4%)
Company's share of profit of equity-accounted investees	31	36	(5)	(13.6%)	8	14	(6)	(46.9%)
Operating profit before profit of incubator investees	761	596	165	27.7%	317	231	86	37.2%
Share of profit (loss) of equity-accounted incubator investees	(23)	(18)	(5)	26.7%	(5)	(8)	3	(39.2%)
Operating profit – non-GAAP	738	578	160	27.6%	312	223	89	40.1%
% of sales	7.9%	6.9%			9.5%	7.4%		
Financing expenses, Net	(184)	(108)	76	70.0%	(72)	(53)	19	35.6%
Income before tax – non-GAAP	554	470	84	17.9%	240	170	70	41.5%
Taxes on Income	(181)	(65)			(72)	(46)		
Income for the period – non-GAAP	373	405	(32)	(7.9%)	168	124	44	35.5%
Income attributable to shareholders of the company	299	344	(45)	(13.2%)	146	102	44	42.7%
% of sales	3.2%	4.1%			4.4%	3.4%		
Income attributable to non-controlling interests	74	61	13	21.4%	22	22	0	2.5%
EPS (NIS)	2.56	2.95	(0.4)	(13.2%)	1.25	0.88	0.4	42.6%

## Segmentation of net sales in the Q3 2025 period



Financial data were rounded to NIS millions. The % changes were calculated based on precise figures in NIS thousands.

# Definitions

In all of the following chapters, the following terms will have meanings set forth below:

<b>"Strauss" / the "Company"</b>	Strauss Group Ltd.
<b>"Strauss Group" / the "Group"</b>	Strauss Group Ltd. and companies controlled by it, including joint control.
<b>"Strauss Holdings"</b>	Strauss Holdings Ltd.
<b>"Controlling shareholders"</b>	For information, see section 1 in the Chapter Description of the Company's Business in Strauss Group's Periodic Report.
<b>"Strauss Coffee"</b>	Strauss Coffee B.V.
<b>"São Miguel"</b>	São Miguel Holding e Investimentos S.A.
<b>"Três Corações (JV)"</b>	A joint venture in Brazil, held by the Group (50%) and by a local holding company, São Miguel Holding e Investimentos S.A. (50%).
<b>"Sabra"</b>	Sabra Dipping Company LLC.
<b>"Obela"</b>	PepsiCo-Strauss Fresh Dips & Spreads International GmbH.
<b>"Danone"</b>	Compagnie Gervais Danone S.A. of France.
<b>"PepsiCo" / "PepsiCo, Inc."</b>	The American conglomerate Pepsico, Inc.
<b>"PepsiCo Europe"</b>	A subsidiary of PepsiCo, PepsiCo Investments Europe (I) B.V.
<b>"PRB"</b>	PRB Luxembourg, a subsidiary of PepsiCo
<b>"Haier"</b>	Haier Group Corporation of China.
<b>"HSW"</b>	Qingdao HSW Health Water Appliance Co. Ltd.
<b>The "Stock Exchange" / "TASE"</b>	The Tel Aviv Stock Exchange Ltd.
<b>The "Financial Statements"</b>	The financial statements of the Company, as defined in section 5 of the Description of the Company's Business Report for the year 2024.
<b>The "Non-GAAP Reports" / "Non-GAAP Management Reports"</b>	The Company's non-GAAP reports, as defined in section 5 of the Description of the Company's Business Report for the year 2024.

The <b>"Milk Law"</b>	The Milk Sector Planning Law, 2011
The <b>"Packaging Law"</b>	Regulation of Processing of Packaging Law, 2011
The <b>"Food Law"</b>	Promotion of Competition in the Food Sector Law, 2014
<b>"StoreNext"</b>	<p>StoreNext, a company specializing in measuring the FMCG market within the barcoded retail sector (including major supermarket chains, barcoded private minimarkets, and independent retail chains). According to information shared by StoreNext: As of the end of May 2024, the Shufersal chain ceased transmitting checkout data to StoreNext. Additionally, around mid-September 2024, the Rami Levy chain announced the termination of its engagement with StoreNext. Accordingly, adjustments have been made to StoreNext's statistical model to continue optimally reflecting market sales volumes and trends. However, it should be noted that these are estimates only and not actual data.</p>
<b>"Nielsen"</b>	Nielsen Holdings plc is a leading global data and analytics company, which, to the best of the Company's knowledge, is active in 110 countries, including Israel.
<b>"Euromonitor"</b>	Euromonitor International is a provider of strategic market research, creating data and analysis on products and services around the world.
<b>"ICE"</b>	<p>Intercontinental Exchange, Inc. (ICE) is a provider of commodity data, which generates and provides analyses of commodities.</p> <p><a href="https://www.theice.com/index">https://www.theice.com/index</a></p>
<b>"Bloomberg"</b>	Bloomberg is a private company that provides financial services in the fields of software, media, and information. Bloomberg holds a one-third share of the global financial information market.
<b>"Mintel"</b>	Mintel is an online information platform specializing in consumer insights and trends, product launches, and business intelligence, primarily in the global consumer goods and personal care sectors.
<b>"USD" or the "Dollar"</b>	United States Dollar
<b>"Coffee company in Serbia"</b>	Strauss Adriatic d.o.o



Strauss Group Ltd.

# Update of the Description of the Company's Business



# Update of the Description of the Company's Business Chapter in the 2024 Annual Report of Strauss Group Ltd (hereinafter: the "Company")<sup>1</sup> (hereinafter: the "Annual Report").

In accordance with Regulation 39A of the Securities Regulations (Periodic and Immediate Reports), 1970, presented below is an overview of material developments that occurred in the Company's business in the nine months ended September 30, 2025 and through to the publication date of the report, for which no disclosure has yet been made in the Annual Report. This update refers to the section numbers in the Description of the Company's Business chapter as well as to several regulations in the Additional Information on the Corporation chapter in the Company's 2024 Annual Report ("Description of the Company's Business Report" and "Additional Information Report", respectively), and is presented according to the order of the sections in said reports. It should be noted that the terms used in this chapter shall have the meaning ascribed to them in the Annual Report, unless expressly stated otherwise.

## 1. Section 1.1 of the Description of the Company's Business Report – The Group's Activities and a Description of the Development of its Business

For details regarding a change in the holdings of the controlling shareholder Strauss Holdings Ltd. ("Strauss Holdings"), see section 2 below.

## 2. Section 3 of the Description of the Company's Business Report – Investments in the Company's Equity and Transactions with its Shares

On July 3, 2025, Strauss Holdings Ltd. sold 2,282,000 shares, constituting approximately 2% of the Company's issued and outstanding share capital at that time, in an off-exchange transaction, as

<sup>1</sup>As published on March 25, 2025 (Ref. No: 2025-01-019985) and the amending report of March 26, 2025 (Ref. No: 2025-01-020788).

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detailed in the immediate report on changes to holdings of interested parties and senior officers dated July 3, 2025 (Ref. No: 2025-01-048643).

### **3. Section 4 of the Description of the Company's Business Report, Dividend Distribution**

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On February 17, 2025, the Board of Directors approved the payment of a cash dividend to shareholders totaling NIS 200 million for the sale transaction of the Company's holdings in Sabra and Obela to PepsiCo. For information on the dividend distribution, see the immediate report of February 18, 2025 (Ref. No: 2025-01-011253) and also Note 4.1 to the Condensed Consolidated Interim Financial Statements of the Company as of September 30, 2025.

On March 24, 2025, the Company's Board of Directors approved the payment of a cash dividend to the shareholders of NIS 160 million for the 2024 annual period. For information on the dividend distribution, see the immediate report of March 25, 2025 (Ref. No: 2025-01-019982), the supplementary immediate report on the final dividend per share dated March 31, 2025 (Ref. No: 2025-01-022614) and also Note 4.2 to the Condensed Consolidated Interim Financial Statements of the Company as of September 30, 2025.



## 4. Section 17 of the Description of the Company's Business Report – Financing

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### Section 17.2 – Reportable Credit

On June 22, 2025, the Company completed an issuance of Debentures (Series F) through an expansion of approximately 547,169,000 units of Debentures (Series F). The (gross) consideration received by the Company for the expansion of Series F is approximately NIS 464 million. For more information, see the immediate report of June 19, 2025, regarding the results of the offering (Ref. No: 2025-01-043939) and the immediate report regarding the Company's capital structure, issuance of rights to acquire shares and security registers and changes thereto of June 22, 2025 (Ref. No: 2025-01-044108), the information therein is included in this report by way of reference.

### Section 17.5 – Credit Rating

On April 3, 2025, the Company announced that S&P Global Ratings Maalot Ltd. (Maalot) ratings agency had affirmed the iAA+ rating of the Company and its debentures with a stable outlook. For more information, see the immediate report published by the Company on April 3, 2025 (Ref. No: 2025-01-024722). On June 16, 2025, the Company announced that Midroog ratings agency had left the Aa1.il rating for the Company's debentures unchanged and changed the rating outlook from negative to stable (for further information, see the immediate report of June 16, 2025 (Ref. No: 2025-01-042952)).

On June 18, 2025, the Company announced that S&P Global Ratings Maalot Ltd. (Maalot) ratings agency had given an iAA+ rating with a stable outlook for the issuance of debentures (Series F) through a series expansion of up to NIS 550 million par value. For further information, see the immediate report of June 18, 2025 (Ref. No: 2025-01-043405). On June 18, 2025, the Company announced that Midroog ratings agency had given an Aa1.il rating with a stable outlook for the issuance of debentures (Series F) through a series expansion of up to NIS 550 million par value. For further information, see the immediate report of June 18, 2025 (Ref. No: 2025-01-043405)<sup>2</sup>.

## 5. Section 20.4.3 of the Description of the Company's Business Report – Israel Competition Authority Investigation

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On April 3, 2025, the Company and former senior office holders received notices from the Competition Authority regarding the closing of an investigation against the Company and former senior office

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<sup>2</sup> To provide a full picture it should be noted that both rating reports of June 18, 2025, were update notifications of earlier rating announcements by these companies, that said rating is for the issuance of debentures (Series F) by way of a series expansion of up to NIS 550 million par value, rather than NIS 350 million par value which had been rated earlier.

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holders regarding a suspicion of crimes under the Economic Competition Law, 1988 (suspicions of an attempted restrictive trade arrangement through a public announcement in the Company's Q1 2021 quarterly report). For further details see the immediate report of April 3, 2025 (Ref. No: 2025-01-024729) and Note 6.7 to the Condensed Consolidated Interim Financial Statements of the Company as of September 30, 2025.

## 6. Section 22 of the Description of the Company's Business Report – Legal Proceedings

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For updates, see Note 6 to the Condensed Consolidated Interim Financial Statements of the Company as of September 30, 2025.

## 7. Regulation 21 in the Additional Information Report – Payments to Interested Parties and Senior Officers of the Company

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For details regarding the resolution of the general meeting convened on July 14, 2025, regarding amending the terms of service and employment of the Company's CEO, Mr. Shai Babad, in accordance with changes to the Company's amended remuneration policy and the Company entering into a consulting agreement with Mr. Shaul Kobrinsky, Deputy Chair of the Board of Directors, see section 12 below.

## 8. Regulation 22 in the Additional Information Report – Transactions with a Controlling Shareholder

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On July 14, 2025, the annual and extraordinary general meeting of the Company approved, *inter alia*: Amending and extending the terms of office of the Company's chairperson, Ms. Ofra Strauss; the terms of office of Mr. Adi Strauss as a director of the Company; the terms of employment of Ms. Yasmin Lahat, the daughter of Ms. Ofra Strauss, one of the Company's controlling shareholders, as a project manager at the Group's OT (operations and supply chain) head-office effective as of May 11, 2025; granting updated letters of undertaking to indemnify controlling shareholder directors and the CEO of the Company, under the same terms and conditions and including the same language as the amended letter of indemnification granted to the Company's other directors and office holders. For further details, see the Company's immediate report dated June 3, 2025, regarding the convention of the general meeting and the supplementary report regarding the deferral of the meeting from July 8, 2025 (Ref. No: 2025-01-039899 and 2025-01-050287, respectively), and the Company's immediate

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report of July 15, 2025, regarding the results of the general meeting and its amending report dated July 22, 2025 (Ref. No: 2025-01-052235 and 2025-01-054290), which are hereby included by way of reference.

### **9. Regulation 24 in the Additional Information Report – Holdings of Interested Parties and Senior Officers**

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For information on the status of holdings of interested parties and office holders as of September 30, 2025, see the Company's immediate report of October 19, 2025 (Ref. No: 2025-01-076918). For details regarding the Company's immediate reports about a new interested party of the Company, see section 11 below and the immediate reports of July 3, 2025 and July 21, 2025 (Ref. No: 2025-01-048240 and 2025-01-054269), whose details are included herein by way of reference.

### **10. Regulation 26 in the Additional Information Report – Directors of the Corporation**

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On March 25, 2025, the Company announced the conclusion of the terms in office of some of the Company's directors: Messrs. Tzipi Ozer-Armon and David Mosevics. For further information, see the immediate reports of March 25, 2025 (Ref. No: 2025-01-019996 and 2025-01-019995, respectively).

On July 14, 2025, the annual and extraordinary general meeting of the Company approved the reappointment of Ms. Dorit Salinger and Ms. Dalia Lev for a third term in office as external directors of the Company, effective as of the end of the second term in office (i.e., for a three year term commencing on August 13, 2025). For further details, see the Company's immediate report dated June 3, 2025, regarding the convention of the general meeting and the supplementary report regarding the deferral of the meeting from July 8, 2025 (Ref. No: 2025-01-039899 and 2025-01-050287, respectively), and the Company's immediate report of July 15, 2025, regarding the results of the general meeting and its amending report dated July 22, 2025 (Ref. No: 2025-01-052235 and 2025-01-054290), which are hereby included by way of reference.

### **11. Regulation 26A in the Additional Information Report – Senior Officers**

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On April 30, 2025, Mr. Ariel Chetrit concluded his role at the Company as CFO, and on May 1, 2025, Mr. Tobi Fischbein commenced his role as CFO. (For more information see the immediate reports of April 2, 2025, Ref. No: 2025-01-024255 and 2025-01-024258, the immediate report of May 4, 2025,

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Ref. No: 2025-01-030746), and the immediate report of July 21, 2025, regarding Mr. Fischbein becoming an interested party of the Company (Ref. No: 2025-01-054269).

In July 2025 Ms. Linda Cohen Rofe was appointed SVP for Strategy and Transformation. Additionally, in August 2025, Mr. Elad Komissar concluded his role as a senior officer of the Company. (For more information, see the immediate reports of: July 3, 2025, Ref. No: 2025-01-054269, and of August 26, 2025, Ref. No: 2025-01-063586 and 2025-01-063597).

## 12. Regulation 29(C) in the Additional Information Report – Extraordinary General Meeting Resolutions

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On March 27, 2025, the Company's extraordinary general meeting approved a one-time bonus for the Company's CEO, Mr. Shai Babad for the Sabra transaction, which deviates from the remuneration policy. For further information, see the immediate report of March 27, 2025 (Ref. No: 2025-01-021551).

On July 14, 2025, the annual and extraordinary general meeting of the Company approved, *inter alia*: the amended remuneration policy for senior officers of the Company for a three-year period commencing as of the date of the general meeting; the amended terms of service and employment of the Company's CEO, Mr. Shai Babad; amending and extending the terms of office of the Company's chairperson, Ms. Ofra Strauss; the terms of office of Mr. Adi Strauss as a director of the Company, including extending the validity of the letter of indemnity and renewing the grant of a letter of release for an additional three-year period as of the approval date of the general meeting; the terms of employment of Ms. Yasmin Lahat, the daughter of Ms. Ofra Strauss, one of the Company's controlling shareholders; the execution of a consulting agreement with Mr. Shaul Kobrinsky, Deputy Chair of the Board of Directors, or with a company wholly owned and controlled by him; granting updated letters of undertaking to indemnify controlling shareholder directors and the CEO of the Company, under the same terms and conditions and including the same language as the amended letter of indemnification granted to the Company's other directors and office holders. For further details, see the Company's immediate report dated June 3, 2025, regarding the convention of the general meeting and the supplementary report regarding the deferral of the meeting from July 8, 2025 (Ref. No: 2025-01-039899 and 2025-01-050287, respectively), and the Company's immediate report of July 15, 2025, regarding the results of the general meeting and its amending report dated July 22, 2025 (Ref. No: 2025-01-052235 and 2025-01-054290), which are hereby included by way of reference.



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### 13. Regulation 26A in the Additional Information Report – Company Resolutions

For details regarding the general meeting resolution of July 14, 2025, regarding extending the validity of the letter of undertaking to indemnify and renew the grant of a letter of release to Mr. Adi Strauss and the grant of amended letters of undertaking to indemnify controlling shareholder directors, the grant of amended letters of undertaking to indemnify senior officers of the Company and the Company CEO, see section 12 above.

Date: November 25, 2025

Names and titles of signatories:

Ofra Strauss, Chairperson of the Board of Directors

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Strauss Group Ltd.

Shai Babad, President and CEO



Strauss Group Ltd.

# Board of Directors' Report on the State of the Company's Affairs As of September 30, 2025

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## EXPLANATIONS BY THE BOARD OF DIRECTORS ON THE STATE OF THE COMPANY'S BUSINESS AFFAIRS

### 1. General

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The Board of Directors of Strauss Group Ltd. (the "**Company**") respectfully submits herewith the Board of Directors Report for Q3 2025, in accordance with the Securities Regulations (Periodic and Immediate Reports), 1970.

The review presented below is abbreviated, referring to material events and changes in the state of the Company's business affairs during the reporting period, and this report should be reviewed together with the Description of the Company's Business Report, the Financial Statements and the Board of Directors Report on the State of the Corporation's Business Affairs in the periodic report as of December 31, 2024, as published on March 25, 2025 and amended on March 26, 2025 (Ref. No: 2025-01-019985 and 2025-01-020788, respectively) (the "2024 Annual Report"), as well as with the Description of the Company's Business Report, the Financial Statements and Board of Directors Report on the State of the Corporation's Business Affairs for Q1 2025, as published on May 28, 2025 (Ref. No: 2025-01-037998). As well as together with the Description of the Corporation's Business Report, the Financial Statements and the Board of Directors Report on the State of the Company's Business Affairs for Q2 2025, as published on August 26, 2025 (Ref. No: 2025-01-063568).

### 2. Principal information from the description of the Company's business affairs

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#### 2.1. Overview of the operating segments in 2025

As of the reporting date, the Group is engaged in five key areas of activity, which are reported as business segments as described in Note 3 to the Condensed Consolidated Interim Financial Statements of the Company as of September 30, 2025. Three of the operating segments are concentrated under the Israel Activity: Health & Wellness; Fun & Indulgence (Snacks and



Confectionery); and Fun & Indulgence (Israel Coffee). The Group also has two other operating segments (International Coffee and Strauss Water).<sup>1</sup>

Further to the approval of the Group's 2024-2026 updated strategy, several changes were made to the operating segments to align them with how the segmental information regarding the Group's operating segments is presented, which are based on the Group's internal management (non-GAAP) reports (the "**management reports**" or the "**non-GAAP reports**").

Accordingly, since the financial statements as of March 31, 2024, the responsibility for the Israel Coffee activity has been transferred from the International Coffee Activity to the Israel Activity, under the Fun & Indulgence (Israel Coffee) segment. Additionally, the International Dips & Spreads activity was included under the Group's other activities until it was sold as described in section 20.4.1 below, since it did not amount to a reportable segment. This activity was accordingly included in the comparison figures.

## 2.2. Summary of major developments during and subsequent to the reporting period

- **Wylar Farms merger agreement and the Commissioner's ruling** - Further to that stated in section 2.2 of the 2024 Annual Board of Directors Report regarding a determination made by the Commissioner of the Competition Authority of a breach pursuant to section 19 of the Economic Competition Law, 1988 (the "**Economic Competition Law**") and the imposition of a financial penalty on the Company totaling approximately NIS 111 million, and the imposition of a financial penalty on its former office holders, on November 19, 2024, the Commissioner agreed to the Company's request to split the payment of the financial penalty into ten equal monthly installments as provided in section 50J(b) of the Economic Competition Law. Since Q4 2024 and as of the reporting date, the Company has paid ten installments totaling NIS 11 million each on account of the financial penalty. The Company submitted an appeal on the determination on January 23, 2025. On June 26, 2025, the Company submitted a written request to the Commissioner to receive documents and particulars which it believes are necessary to prepare its reply to the Commissioner's response to the appeal. On September 10, 2025, the Commissioner responded that all information which is subject to a right of review has been sent to the Company subject to restrictions under applicable law. Further to the Company's application for a postponement, agreed upon by the Commissioner, it was established that the Company's reply is to be submitted by

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<sup>1</sup> In addition to the operating segments described above, the Group has various activities that are immaterial to its business, which fall short of the quantitative threshold for presentation in the Company's financial statements as reportable segments or which fail to meet the criteria for aggregate and separate presentation as a reportable segment; these are included in the Financial Statements as of September 30, 2025 as "other activities".

November 23, 2025. The Group submitted its reply on November 23, 2025. It should be clarified that the Company disputes the Commissioner's position and is of the opinion that its actions as far as the arguments made against the Company were legal. The Company's legal counsel assess that the likelihood is greater that the appeal, which asserts that the Company did not breach the law, will be granted than of it being rejected. For further details see Note 6.5 to the Condensed Consolidated Interim Financial Statements as of September 30, 2025.

- **Motions for discovery and production of documents filed to examine bringing a derivative action associated with the Competition Commissioner's above ruling** - Further to that stated in section 2.2 of the 2024 Annual Board of Directors Report regarding the motions for discovery, and one of the motions being stricken pursuant to a notice by the applicants, on April 7, 2025, the Company filed a motion to stay the proceedings due to an appeal of the financial penalty it had submitted to the Competition Tribunal. A hearing on the motion to stay was held on June 30, 2025, at which the court ruled with the parties' consent that the hearing of the remaining motion will be stayed at this stage. The Company is to submit an update on the matter by January 1, 2026. For further details see Note 6.6 to the Condensed Consolidated Interim Financial Statements as of September 30, 2025.
- **Independent committee (recall)** - Further to that stated in section 2.2 of the 2024 Annual Board of Directors Report regarding the submission by different applicants of six motions for discovery and production of documents under section 198A of the Companies Law, 1999, for the purpose of examining the possibility of submitting a motion to bring a derivative action against officers and senior parties in the Company, and further to the decision by the Company's Board of Directors in August 2022 to establish an independent claims committee (the "**Committee**"), and the Board of Directors' decision in November 2024 to adopt the findings, conclusions and recommendations on the issue, including the proposed settlement arrangement as submitted to the court in February 2025, on October 21, 2025, the Attorney General submitted her position on the motion to approve the settlement agreement (following the submission of multiple applications for extensions). Among other things, it was claimed in the position that the legal analysis underlying the Committee's conclusions should be independently examined by the court and that the business judgment rule should not be applied to the Board's decision to adopt the Committee's conclusions. It was further claimed that an order should be made to publish the Committee's report and to allow for additional time for the submission of objections to the motion to

approve the settlement agreement following the publication of the report. On October 22, 2025, a hearing was held in court on the motion to approve the settlement arrangement. At the hearing the representatives of the Attorney General repeated the main points of its position. The Company's legal advisors, the Applicant and the senior officers opposed the Attorney General's comments regarding the need for the court to examine the Committee's conclusions and to not apply the business judgment rule to the Board's decision to adopt the Committee's conclusions. On the other hand, the Company's legal advisors, the Applicant and the senior officers agreed that the Committee's report should be publicly available, but opposed extending the deadline for objections. At the end of the hearing the court stated that the proceedings are ready for a determination and that a judgment will subsequently be issued. For further details see Note 6.4 to the Condensed Consolidated Interim Financial Statements as of September 30, 2025.

- **Update about the implementation of the Company's strategy** - On March 25, 2024, the Board of Directors approved a revision of the Company's strategy for 2024-2026 as described in sections 16 and 23 of the Description of the Company's Business Report for 2024.

As part of the strategy, the Group established financial targets for itself, including significant productivity activity to achieve improved annual operating profit (EBIT) of NIS 300-400 million (across-the-board), expected to be fully achieved in 2026. In this regard, the Company is implementing various measures, which are not part of a closed list, which are part of the productivity activity:

- With the supply chain:
  - Strategic procurement and implementation of supply chain resilience processes through the optimization of procurement processes, including sales and operations planning (S&OP), direct procurement, supplier diversification, and more.
  - Operational excellence at manufacturing facilities – implementation of best-in-class programs in manufacturing facilities to improve efficiency (such as IWS - "Integrated Work Systems"), optimize Company resources and more, as well as developing the capabilities and skills to foster excellence among the Group's employees.
- Implementation of RGM ("Revenue Growth Management) strategies and optimization of marketing efforts.

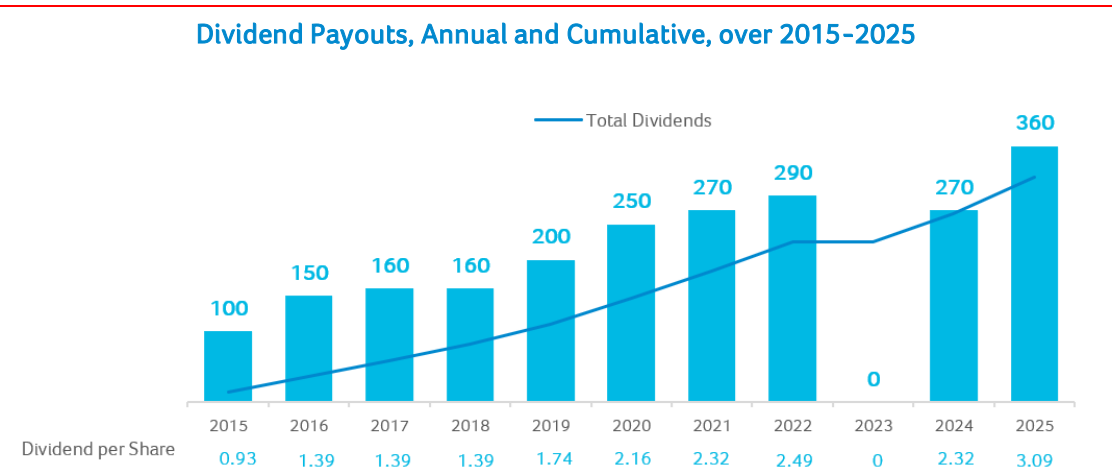


2.3. Dividends

Decisions on dividend payouts are made by the Company’s Board of Directors. The frequency and amounts of distributions are based on the Group’s operating results and according to its needs.

Since 2015 through to the present, the Company has distributed dividends amounting to approximately NIS 2.2 billion.

The graph below presents the cumulative dividend payout over 2015-2025:



Figures are in NIS millions.

On February 17, 2025, the Board of Directors approved the payment of a dividend to shareholders of NIS 200 million (approximately NIS 1.72 per share) for the sale transaction of the Company’s holdings in Sabra and Obela to PepsiCo which was paid on March 4, 2025.

On March 24, 2025, the Board of Directors approved the payment of a dividend to shareholders of NIS 160 million (approximately NIS 1.37 per share) for the 2024 annual period, which was paid on April 10, 2025.

The balance of retained earnings on the date of the statement of financial position as of September 30, 2025 is approximately NIS 4,100 million.

## CHANGES IN THE ECONOMIC ENVIRONMENT

### 3. The “Swords of Iron” and “Rising Lion” wars

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The “Swords of Iron” war broke out on October 7, 2023 (the “war”), and in June 2025 Israel initiated operation “Rising Lion” which protracted for approximately 12 days. During and subsequent to the reporting period, the State of Israel was in various states of war with varying levels of intensity. A ceasefire agreement was entered into in October 2025 to end the fighting. The Company has maintained normal operations throughout the reporting period and as of the publication date of this report. The war (and the operation) did not have a material impact on the Group’s activity and financial results. During the relevant periods, the Company acted to find solutions and to make adjustments as far as necessary to maintain business continuity.

However, given the uncertainty surrounding geopolitical developments in the Middle East, the future impact of potential geopolitical situations on the Group’s business cannot presently be assessed.

### 4. The Russia-Ukraine war

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As of the publication date of the report, the hostilities between Russia and Ukraine are ongoing, so too with respect to the economic sanctions imposed on Russia by the West.

Since the outbreak of the war, the Company has taken steps to ensure that its business in Russia will be managed as a stand-alone business to the greatest extent possible. In Ukraine, the Group’s business has operated continuously as usual.

As of the date of this report, the hostilities between Russia and Ukraine have not had a material impact on the Group’s operating results.

Considering the evolving nature of the events and the ensuing high degree of uncertainty, potential geopolitical scenarios may materialize, which could lead to further negative economic and financial consequences. The Group is continuously monitoring the development of events in Ukraine, Russia and the markets, however, as of the date of this report, it is unable to assess their future impact on its business results.

For further information on the Group’s activity in Russia and Ukraine, see section 20.2 below and Note 4.5 to the Condensed Consolidated Interim Financial Statements as of September 30, 2025.

## 5. Prices of raw materials and other production inputs

A substantial part of the raw materials used to manufacture the Group's products are traded on the global commodity markets. In the first nine months of 2025, there were significant increases in the average market prices of green coffee (primarily with Arabica prices), as well as with cocoa prices relative to the same period the previous year, following the significant price increases the previous year. In Q3 2025, there was a significant increase in the average market prices of Arabica green coffee, while, on the other hand, there was a decline in the average market prices of Robusta green coffee and cocoa prices, compared with the corresponding quarter the previous year.

According to Bloomberg, from the beginning of October 2025, until proximate to the publication date of the report, the prices of Arabica and Robusta green coffee each increased by approximately 9% and 8%, respectively, and the price of cocoa decreased by approximately 22%. As of the date of the report, it should be noted that the Group generally purchases Robusta green coffee.

The average price of raw milk rose in the first nine months of 2025 by approximately 2.6% relative to the corresponding period the previous year, and in Q3 2025 it rose by 6.1% relative to the corresponding quarter the previous year. In October 2025 there was a 0.4% decrease in the price of raw milk relative to the price at the end of Q3 2025.

Presented below are the rates of change in the market prices of the major inputs in the first nine months and in Q3 of 2025 as well as the rate of change in the average market prices in the first nine months and in Q3 of 2025 compared with the corresponding periods the previous year:

Inputs	Price as of			Price as of		
	30.09.2025	31.12.2024	% change	30.09.2025	30.06.2025	% change
<b>Arabica <sup>(1)</sup></b>	375	320	17%	375	307	22%
<b>Robusta <sup>(1)</sup></b>	4,200	5,019	(16%)	4,200	3,777	11%
<b>Cocoa <sup>(1)</sup></b>	4,730	9,143	(48%)	4,730	6,145	(23%)
<b>Raw milk <sup>(2)</sup></b>	2.52	2.37	6.1%	2.52	2.47	1.7%

Inputs	Average price in the first nine months			Average price in Q3		
	2025	2024	% change	2025	2024	% change
<b>Arabica <sup>(1)</sup></b>	360	219	64%	341	246	39%
<b>Robusta <sup>(1)</sup></b>	4,765	4,085	17%	4,113	4,892	(16%)
<b>Cocoa <sup>(1)</sup></b>	6,485	6,380	2%	5,305	6,215	(15%)
<b>Raw milk <sup>(2)</sup></b>	2.46	2.40	2.6%	2.52	2.37	6.1%

(1) Figures are retrieved from Bloomberg. The exchanges on which the commodities are traded, include: Arabica – New York, Robusta – London and cocoa – London.

(2) Figures are retrieved from the Israel Dairy Board website.

\* Market prices of all inputs are denominated in USD, except for the price of cocoa, which is denominated in GBP, and the price of milk, which is denominated in NIS.

The Group applies measures to mitigate the effects of raw material cost fluctuations, among other things through hedges, mitigation plans and operational efficiency enhancement. Some of the Group's subsidiaries also revised their sell-in prices in certain geographies and with particular products. In this context also refer to section 20.1 below.

For additional information about the green coffee procurement processes see section 5 of the 2024 Annual Board of Directors report.

## 6. Energy prices

The average price of Brent oil in Q3 2025 decreased by approximately 13% compared with the average price in the corresponding quarter the previous year. According to Bloomberg, from the beginning of 2025 through proximate to the publication date of the report, the price of oil has decreased by approximately 15%.

## 7. Exchange rate fluctuations

The average exchange rate of the Shekel strengthened against most of the operating currencies, other than the Ruble, in the first nine months and in Q3 2025, and primarily against the Brazilian Real. The strengthening of the currency contributed to translation differences and a decline in the net sales and operating income line items in the income statements for the first nine months and for Q3 2025. In the first nine months of 2025 the closing rate of the Shekel weakened against most currencies, primarily against the Real and the Ruble and primarily strengthened against the USD, in terms of closing rates change and the net impact on the Group's shareholder equity was positive. In Q3 2025 the closing rate of the Shekel strengthened against most currencies, and slightly weakened against the Real, in terms of closing rates change and the net impact on the Group's shareholder equity was negative. In Q3 2025 the average USD exchange rate weakened against all the currencies other than the Hryvnia.

Presented below is a table with the average exchange rates against the Shekel in the first nine months and Q3 2025 compared with the corresponding period year-over-year:

Table of the Average Exchange Rates Against the Shekel							
Currency		Average exchange rate in the first nine months		% change	Average exchange rate in Q3		% change
		2025	2024		2025	2024	
United States Dollar	USD	3.520	3.701	(4.9%)	3.363	3.713	(9.4%)
Euro	EUR	3.932	4.023	(2.3%)	3.928	4.079	(3.7%)
Ukrainian Hryvnia	UAH	0.085	0.093	(9.2%)	0.081	0.090	(10.3%)
Russian Ruble	RUB	0.042	0.041	1.4%	0.042	0.042	0.1%
Romanian Leu	RON	0.782	0.809	(3.3%)	0.775	0.820	(5.4%)
Polish Zloty	PLN	0.927	0.934	(0.8%)	0.922	0.952	(3.1%)
Brazilian Real	BRL	0.622	0.708	(12.2%)	0.617	0.669	(7.8%)
Chinese Renminbi	CNY	0.487	0.515	(5.4%)	0.470	0.518	(9.3%)
Pound Sterling	GBP	4.623	4.726	(2.2%)	4.534	4.828	(6.1%)



Presented below is a table with the average exchange rates against the USD in the first nine months and Q3 2025 compared with the corresponding period year-over-year:

Table of the Average Exchange Rates Against the USD							
Currency		Average exchange rate in the first nine months		% change	Average exchange rate in Q3		% change
		2025	2024		2025	2024	
Shekel	NIS	0.284	0.270	5.3%	0.297	0.269	10.4%
Ukrainian Hryvnia	UAH	0.024	0.025	(4.5%)	0.024	0.024	(1.0%)
Russian Ruble	RUB	0.012	0.011	6.8%	0.012	0.011	10.5%
Romanian Leu	RON	0.222	0.218	1.8%	0.230	0.221	4.4%
Polish Zloty	PLN	0.264	0.252	4.5%	0.274	0.256	7.0%
Brazilian Real	BRL	0.177	0.191	(7.6%)	0.183	0.180	1.8%
Chinese Renminbi	CNY	0.138	0.139	(0.5%)	0.140	0.140	0.1%
Pound Sterling	GBP	1.314	1.277	2.9%	1.348	1.300	3.7%

According to Bloomberg, from the beginning of 2025 until proximate to the publication date of the report, the Shekel weakened against the Brazilian Real and the Russian Ruble by approximately 2.5% and 13.5%, respectively, and strengthened by approximately 12% against the USD.

## 8. Inflation

In the first nine months and in Q3 2025, the Israeli consumer price index increased by approximately 2.6% and 0.5%, respectively, while the index is approximately 3.4% and 1.3% respectively lower compared with the corresponding periods the previous year. The index rose by approximately 2.5% in the 12 month period ended in proximity to the publication date of the report.

According to Bloomberg, in the first nine months of 2025 the US consumer price index rose by approximately 2.9%, compared with approximately 2.8% in the corresponding period the previous year, and by approximately 3% over the last 12 months proximate to the publication of the report. In Brazil, the consumer price index rose by approximately 4.7% in the 12 month period ended in proximity to the publication of the report. In Russia, the consumer price index rose by approximately 7.7% in the 12 month period which ended in proximity to the publication of the report.

Most of the Group's long-term loan liabilities are Shekel denominated and bear fixed interest, and the rest are denominated in variable interest. Most of the Group's lease liabilities are CPI-linked.

See section 8 of the 2024 Annual Board of Directors Report for the Company's policy on how to protect against inflation, such as the use of financial derivatives and hedging activity.

## 9. Interest

The Bank of Israel's interest rate remained unchanged in the first nine months of 2025 at 4.5% through to proximate to the publication date of the report, according to the Bank of Israel. On November 24, 2025, the Bank of Israel has decided to cut the bank's key interest rate by 0.25% to 4.25%.

According to Bloomberg, as of proximate to the publication date of the report, interest was lowered in the US to 4%-4.25%. In Brazil the interest rate increased from 12.25% at the beginning of 2025 to 15%, and remained at this level proximate to the publication date of the report, and in Russia the interest rate declined from 21% at the beginning of 2025 to 17% in proximity to the publication date of the report.

Most of the Group's long-term liabilities are Shekel fixed-rate loans. The rest are floating-rate loans, most of them Shekel denominated, as well as Dollar and Real denominated loans.

On November 7, 2025, S&P rating agency announced Israel's credit rating, whereby it left the rating unchanged at A, and raised the credit rating outlook from negative to stable.

For a description of the market risks to which the Group is exposed, see section 25.1 of the Description of the Company's Business Report for 2024 (Discussion of Risk Factors).

## 10. Regulatory developments in Israel

Presented below is an overview of the regulatory changes in Q3 2025 through to the publication date of the report which are relevant to the Group's activity.

### The milk sector

On November 8, 2025, the Israeli Ministry of Finance published a proposed economic plan for 2026, which, inter alia, includes planning a comprehensive reform of the milk sector. The reform is based on cancelling the regime of quotas and price control, transitioning to a free market model, opening the market to imports by cancelling tariffs, and dismantling the Milk Council while relegating its authorities to the relevant government ministries. The

continuation of the legislative process as well as regarding the version that will be passed, if any, is currently uncertain. Accordingly, as of the publication date of this report, the Company is unable to assess the possible impact the proposed reform will have on its activity and businesses.

In proximity to the Ministry of Finance's aforementioned announcement, the Ministry of Agriculture and Food Security published the "Nine Steps Plan" whose objective is to increase efficiency in the milk sector and to lower prices. Among other things, the plan includes proposed statutory changes, investment channels (including R&D and technology, food centers and new product lines at dairies), and structural measures. At this stage there is no certainty regarding the wording of the plan and how it will be implemented, if adopted. There is also no certainty regarding the interplay between the plan and the reform proposed by the Ministry of Finance.

Accordingly, as of the publication date of this report, the Company is unable to assess the possible impact the proposed plan will have on its activity and businesses.

In August 2025 the Ministry of Agriculture applied to the Minister of Finance to issue a temporary order for a tariff exemption on imported drinking milk for seven weeks starting from September 14, 2025, due to the loss of production days at dairies due to the timing of the Jewish New Year festivals in the middle of the week. The Ministry of Finance subsequently released for public comment the draft Customs Fees, Exemptions and Purchase Tax for Goods Order (Temporary Order), 2025, in which it is proposed to establish milk imports being exempt from customers until February 28, 2026. This exemption became effective on September 19, 2025 until October 17, 2025. This exemption had an immaterial impact on the Company's activity.

In April 2025, the Ministry of Agriculture released the Draft Milk Sector Planning Regulations (Reports and Issue of Directives), 2025 (hereinafter: the "Draft Milk Sector Planning Regulations") for public comment, in place of the earlier draft on the issue, which was published in August 2024 as a temporary order. The Draft Milk Sector Planning Regulations aims to establish arrangements for planning and regulating the milk sector and includes a proposed mechanism for managing raw milk supplies during shortages. For further information about regulatory changes associated with the dairy industry, see section 8.2.12 of the 2024 Description of the Company's Business Report.

The continuation of the legislative process for the Draft Milk Sector Planning Regulations is currently uncertain, so too with the final version that may be enacted. Therefore, as of the

publication date of this report, the Company is unable to assess the potential impact of the Draft Temporary Order on its operations and business, should the legislative process be completed.

In June 2025 the Ministry of Agriculture updated the prices of controlled dairy products, as well as some sell-in dairy product prices, by an approximately 1.5% increase, following the government's decision to amend the prices of controlled dairy products.

## 11. Business regulation and changes in the food sector in Israel

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On June 24, 2024, the Competition Authority published the Rules for Promotion of Competition in the Food Sector (Exemption of Actions and Arrangements Relating to the Arrangement of Products in the Store of a Large Retailer) (Temporary Order) (No. 2), 2024 (hereinafter: the "**New Arrangement Exemption**"). The New Arrangement Exemption determines that the arrangement of goods by large suppliers will only be permitted in the stores of large retailers where the total sales of products of suppliers that are not large suppliers in all the stores of each such retailer account for at least 55% with this percentage being raised by one percentage point per year, up to 60%. The New Arrangement Exemption became effective on January 1, 2025, with respect to all products other than milk and related products. The New Arrangement Exemption became effective on July 1, 2025 with respect to milk and related products.

As of the publication date of this report, the effect of the change in the New Arrangement Exemption is immaterial to the Group's business.

For further information, see section 13.1 in the Description of the Company's Business Report for 2024. This estimate is forward-looking information as defined in the Securities Law, which is based on the information available to the Company on the publication date of this report and includes the Company's estimates on the publication date.

## OPERATING RESULTS

### 12. Operating Results

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The Group's commercial operations fall under a number of operating segments: Israel activity includes the following segments: Health & Wellness, Fun & Indulgence - Snacks and Confectionery, and Fun & Indulgence (Israel Coffee); the International Coffee activity; the Water activity and other activities. The Group has several businesses that are operated by jointly controlled entities in which the Company or subsidiaries hold a 50% stake: The coffee business in Brazil (Três Corações (JV)), the salty snacks business in Israel (Strauss Frito-Lay Ltd.), the dips and spreads business in North America - Sabra Dipping Company ("**Sabra**"), and the international dips and spreads business - PepsiCo Strauss Fresh Dips & Spreads International ("**Obela**"), until the sale thereof closed in December 2024 (for details about their sale see section 11.1 of the Description of the Company's Business Report for 2024). It should be clarified, the above activity is included in the Company's management (non-GAAP) reports according to the stake thereof held by the Company and/or the subsidiaries.

According to generally accepted accounting principles, in the Company's audited financial statements - which include the statement of profit and loss and statements of financial position, comprehensive income, changes in equity and cash flows (the "**financial statements**"), businesses which are jointly controlled by the Group members (with other partners) are presented in one separate row ("income (losses) of equity-accounted investees", and in the relevant section/line-item in the other reports.

Notwithstanding the foregoing, in light of the Group's non-GAAP reports and how the Group's management measures the results of the subsidiaries and jointly owned companies, the Group maintains managerial reports in which it presents the operating segments by presenting the Group's relative share of the income and expenses of the jointly controlled entities (50%) as well as other adjustments described below. Presentation of the data in this manner is different to how they are presented in the Company's audited Financial Statements.

The management (non-GAAP) reports, the financial accounting (GAAP) reports and the various adjustments made by the Company's management to transition from the financial accounting reports to the non-GAAP reports, are presented over the next few pages.

Presented below are the condensed operating results (based on the Company's management (non-GAAP) reports) for the first nine months ended September 30, 2025 and 2024 (in NIS millions):

Condensed Operating Results				
	First nine months			Explanation
	2025	2024	% change	
<b>Sales *</b>	<b>9,340</b>	<b>8,334</b>	<b>12.1%</b>	The increase in sales is primarily attributable to updated sales prices in various categories and geographic regions due to an increase in raw material prices, primarily in the International Coffee segment, as well as a volume increase and improvement in the sales mix of the Israel activity. For more information see section 16 below.
Growth excluding foreign currency effects	16.4%	6.9%		
Cost of sales	6,731	5,708	18.0%	The decline in gross profit and gross margin primarily results from higher raw material prices (mainly the prices of green coffee and cocoa) and also results from the sale of the International Dips and Spreads activity, with the decline being partially offset by the revised sales prices mentioned above along with the implementation of productivity measures. For more information see section 17 below.
<b>Gross profit</b>	<b>2,609</b>	<b>2,626</b>	<b>(0.7%)</b>	
% of sales	27.9%	31.5%		
Selling and marketing expenses	1,445	1,581	(8.6%)	The decline is primarily attributable to decreased selling expenses in the International Coffee and Israel activity segments and as a result of the sale of the International Dips & Spreads activity.
General and administrative expenses	434	485	(10.5%)	The decline is primarily attributable to the sale of the International Dips & Spreads activity.
<b>Total operating expenses</b>	<b>1,879</b>	<b>2,066</b>		
Company's share in profits of equity-accounted investees	31	36	(13.6%)	The decline is attributable to a fall in HSW earnings, primarily due to investing in marketing and improving sales channels due to increased competition against Strauss Water's activity in China.
<b>Operating profit before incubator investee losses</b>	<b>761</b>	<b>596</b>	<b>27.7%</b>	
Share of loss of equity-accounted incubator investees	(23)	(18)	26.7%	The increase in incubator losses compared to the corresponding period the previous year is primarily due to the fact that in the corresponding quarter the previous year, a profit was recorded due to the sale of an incubator company.
<b>Operating profit *</b>	<b>738</b>	<b>578</b>	<b>27.6%</b>	Improved profitability due to growth and productivity.
% of sales	7.9%	6.9%		
Financing expenses, net	(184)	(108)	70.0%	The increase in financing expenses is mainly the result of the revaluation of foreign currency derivatives, higher interest expenses on debt and expenses associated with currency differences.
<b>Profit before taxes on income</b>	<b>554</b>	<b>470</b>	<b>17.9%</b>	
Taxes on income	(181)	(65)	178.4%	In the corresponding period the previous year, tax income was recorded for previous years due to the closing of tax assessments in various countries, furthermore, increased tax expenses result from a change in the profit mix in Israel and increased earnings by the International Coffee activity.
Effective tax rate	32.7%	13.8%		
<b>Profit for the period</b>	<b>373</b>	<b>405</b>	<b>(7.9%)</b>	The decline is primarily attributable to increased financing and tax expenses.
<b>Profit attributable to shareholders of the Company</b>	<b>299</b>	<b>344</b>	<b>(13.2%)</b>	
% of sales	<b>3.2%</b>	<b>4.1%</b>		
Profit attributable to non-controlling interests	74	61	21.4%	
EPS (NIS)	2.56	2.95	(13.2%)	

Financial data were rounded to NIS millions. Percentage changes were calculated based on the exact figures in NIS thousands.

\* 2025 comparison figures include the activity sold in 2024 (the coffee activity in Serbia, the fresh vegetable operations at the Bror Hayil plant and the International Dips & Spreads activity), as well as the sale of the "Cafe Elite" chain activity in Q2 2025. For further information about the sale of the activities, see section 2.2 of the 2024 Annual Board of Directors Report and section 20.1 below. The Group's sales and operating profit in the first nine months of 2024 while offsetting the sold activities, as aforementioned, came to approximately NIS 7,819 million and NIS 571 million, respectively. Thus, the organic growth rate reflected in the Company's sales came to approximately 18.9%.

Presented below are the condensed operating results (based on the management (non-GAAP) reports) for the quarters ended September 30, 2025 and 2024 (in NIS millions):

Condensed Operating Results				
	Q3			Explanation
	2025	2024	% change	
<b>Sales *</b>	<b>3,277</b>	<b>2,991</b>	<b>9.6%</b>	The increase in sales is primarily attributable to updated sales prices in various categories and geographic regions due to an increase in raw material prices, primarily in the International Coffee segment. For more information see section 16 below.
Growth excluding foreign currency effects	13.2%	15.4%		
Cost of sales	2,317	2,080	11.5%	Growth in gross profit is primarily the result of sales growth as aforementioned, which was offset by higher raw material prices (mainly the prices of green coffee and cocoa). The decline in the gross margin is largely due to the increase in raw material prices as mentioned and offset by the implementation of productivity measures. For more information see section 17 below.
<b>Gross profit</b>	<b>960</b>	<b>911</b>	<b>5.3%</b>	
% of sales	29.3%	30.5%		
Selling and marketing expenses	498	534	(6.9%)	The decline is primarily attributable to lower marketing expenses in the Israel segment and as a result of the sale of the International Dips & Spreads activity.
General and administrative expenses	153	160	(4.5%)	The decline is primarily attributable to the sale of the International Dips & Spreads activity.
<b>Total operating expenses</b>	<b>651</b>	<b>694</b>		
Company's share in profits of equity-accounted investees	8	14	(46.9%)	The decline is attributable to a fall in HSW earnings, primarily due to investing in marketing and improving sales channels due to increased competition against Strauss Water's activity in China.
<b>Operating profit before incubator investee losses</b>	<b>317</b>	<b>231</b>	<b>37.2%</b>	
Share of loss of equity-accounted incubator investees	(5)	(8)	(39.2%)	The decline in incubator losses compared to the corresponding period the previous year is primarily due to the profits recorded from a decline in the rate of holdings and a profit from the sale of one of the incubator companies in the current quarter.
<b>Operating profit *</b>	<b>312</b>	<b>223</b>	<b>40.1%</b>	The increase in operating profit and operating margin is due to the increase in gross profit, and a decline in operating expenses, as aforementioned.
% of sales	9.5%	7.4%		
Financing expenses, net	(72)	(53)	35.6%	The increase in financing expenses is mainly the result of the revaluation of currency derivatives, expenses associated with currency differences, and higher interest expenses on debt.
<b>Profit before taxes on income</b>	<b>240</b>	<b>170</b>	<b>41.5%</b>	
Taxes on income	(72)	(46)	58.2%	The increase in tax expenses is primarily due to a change in the profit mix in Israel and an increase in earnings of the International Coffee activity.
Effective tax rate	29.7%	26.6%		
<b>Profit for the period</b>	<b>168</b>	<b>124</b>	<b>35.5%</b>	
<b>Profit attributable to shareholders of the Company</b>	<b>146</b>	<b>102</b>	<b>42.7%</b>	Most of the increase in net profit is due to growth in operating profit which was partially offset by an increase in financing and tax expenses.
% of sales	<b>4.4%</b>	<b>3.4%</b>		
Profit attributable to non-controlling interests	22	22	2.5%	
EPS (NIS)	1.25	0.88	42.6%	

Financial data were rounded to NIS millions. Percentage changes were calculated based on the exact figures in NIS thousands.

\* 2025 comparison figures include the activity sold in 2024 (the fresh vegetable operations at the Bror Hayil plant and the International Dips & Spreads activity), as well as the sale of the "Cafe Elite" chain activity in Q2 2025. For further information about the sale of the activities, see section 2.2 of the 2024 Annual Board of Directors Report and section 20.1 below. The Group's sales and operating profit in Q3 2024 while offsetting the sold activities, as aforementioned, came to approximately NIS 2,819 million and NIS 217 million, respectively. Thus, the organic growth rate reflected in the Company's sales came to approximately 16.3%.

Presented below are the condensed operating results (based on the Company's management (non-GAAP) reports) for the major business segments for the first nine months and the quarters ended September 30, 2025 and 2024 (in NIS millions):

Condensed Operating Results by Operating Segment						
	First nine months			Q3		
	2025	2024	% change	2025	2024	% change
<b>Israel Activity</b>						
Net sales	4,122	3,892	5.9%	1,407	1,371	2.7%
Cost of sales	2,737	2,464	11.2%	933	872	7.1%
Operating profit	394	408	(3.5%)	146	158	(7.7%)
<b>International Coffee</b>						
Net sales	4,560	3,418	33.4%	1,636	1,259	30.0%
Cost of sales	3,657	2,666	37.2%	1,264	999	26.6%
Operating profit	320	167	91.3%	163	68	139.8%
<b>Water</b>						
Net sales	658	627	4.9%	234	224	4.1%
Cost of sales	337	330	2.0%	120	122	(1.5%)
Operating profit	75	75	0.1%	23	26	(11.5%)
<b>Other</b>						
Net sales *	-	397		-	137	
Cost of sales *	-	248		-	87	
Operating loss	(51)	(72)	(28.9%)	(20)	(29)	(31.4%)
<b>Total</b>						
<b>Net sales</b>	<b>9,340</b>	<b>8,334</b>	<b>12.1%</b>	<b>3,277</b>	<b>2,991</b>	<b>9.6%</b>
<b>Cost of sales</b>	<b>6,731</b>	<b>5,708</b>	<b>18.0%</b>	<b>2,317</b>	<b>2,080</b>	<b>11.5%</b>
<b>Operating profit</b>	<b>738</b>	<b>578</b>	<b>27.6%</b>	<b>312</b>	<b>223</b>	<b>40.1%</b>

Financial data were rounded to NIS millions. Percentage changes were calculated based on the exact figures in NIS thousands.

\* The Group sold the International Dips & Spreads activity in 2024. For details about the sale of the activity, see section 2.2 of the 2024 Annual Board of Directors Report.





Presented below is the breakdown of EBITDA between the Group's operating segments (in NIS millions):

Breakdown of EBITDA by operating segment						
	First nine months			Q3		
	2025	2024	% change	2025	2024	% change
<b>Strauss Israel</b>	549	573	(4.3%)	198	213	(7.6%)
Health & Wellness	379	361	4.7%	128	145	(12.5%)
Fun & Indulgence (Snacks and Confectionery)	58	98	(40.1%)	34	29	19.0%
Fun & Indulgence (Israel Coffee)	112	114	(1.7%)	36	39	(8.3%)
<b>International Coffee</b>	384	236	62.5%	184	91	102.5%
<b>Strauss Water</b>	125	124	1.1%	40	40	2.4%
<b>Other</b>	(12)	(21)	(38.0%)	(7)	(12)	(42.6%)
<b>Total</b>	<b>1,046</b>	<b>912</b>	<b>14.5%</b>	<b>415</b>	<b>332</b>	<b>24.9%</b>

Financial data were rounded to NIS millions. Percentage changes were calculated based on the exact figures in NIS thousands.

Presented below are the condensed financial accounting (GAAP) statements of income for the first nine months and the quarters ended September 30, 2025 and 2024 (in NIS millions):

Condensed GAAP Statements of Income						
	First nine months			Q3		
	2025	2024	% change	2025	2024	% change
Sales	5,816	5,300	9.7%	2,054	1,873	9.7%
Cost of sales excluding impact of commodity hedges	3,987	3,459	15.3%	1,414	1,245	13.5%
Adjustments for commodity hedges <sup>(1)</sup>	(13)	40		(7)	(25)	
Cost of sales	3,974	3,499	13.6%	1,407	1,220	15.3%
<b>Gross profit</b>	<b>1,842</b>	<b>1,801</b>	<b>2.3%</b>	<b>647</b>	<b>653</b>	<b>(0.9%)</b>
% of sales	31.7%	34.0%		31.5%	34.9%	
Selling and marketing expenses	1,026	1,060	(3.2%)	349	360	(3.2%)
General and administrative expenses	385	382	0.7%	135	127	6.2%
<b>Total operating expenses</b>	<b>1,411</b>	<b>1,442</b>	<b>(2.1%)</b>	<b>484</b>	<b>487</b>	<b>(0.7%)</b>
Share of income of equity-accounted investees	233	143	62.4%	110	58	86.0%
Share of loss of equity-accounted incubator investees	(23)	(18)	26.7%	(5)	(8)	(39.2%)
<b>Net operating profit before other expenses</b>	<b>641</b>	<b>484</b>	<b>32.3%</b>	<b>268</b>	<b>216</b>	<b>23.5%</b>
% of sales	11.0%	9.1%		13.0%	11.6%	
Other income (expenses), net	(24)	(82)		(20)	(19)	
<b>Net operating profit after other expenses</b>	<b>617</b>	<b>402</b>	<b>53.5%</b>	<b>248</b>	<b>197</b>	<b>26.1%</b>
Financing expenses, net	(129)	(73)	77.7%	(52)	(40)	33.3%
<b>Profit before taxes on income</b>	<b>488</b>	<b>329</b>	<b>48.2%</b>	<b>196</b>	<b>157</b>	<b>24.4%</b>
Taxes on income	(136)	(36)	277.2%	(46)	(36)	28.3%
Effective tax rate	27.9%	11.0%		23.5%	22.8%	
<b>Profit for the period</b>	<b>352</b>	<b>293</b>	<b>20.0%</b>	<b>150</b>	<b>121</b>	<b>23.2%</b>
<b>Profit attributable to shareholders of the Company</b>	<b>277</b>	<b>232</b>	<b>19.3%</b>	<b>127</b>	<b>99</b>	<b>28.0%</b>
Profit attributable to non-controlling interests	75	61	22.6%	23	22	1.9%

Financial data were rounded to NIS millions. Percentage changes were calculated based on the exact figures in NIS thousands.

<sup>(1)</sup> Reflects mark-to-market as of end-of-period of open positions in the Group in respect of financial derivatives used to hedge commodity prices.

### 13. Adjustments for the management (non-GAAP) reports

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Adjustments for IFRS 11 – transition from the equity method in the financial accounting (GAAP) reports to the proportionate consolidation method (according to the segmental information based on the Group's internal management reports).

Presented below are the adjustments to the Company's management (non-GAAP) reports for the first nine months ended September 30, 2025 and 2024 (in NIS millions):

Adjustments from the GAAP report for the non-GAAP proportionate consolidation method report						
	First nine months of 2025			First nine months of 2024		
	Financial Statements	Change	Proportionate consolidation method	Financial Statements	Change	Proportionate consolidation method
Sales	5,816	3,524	9,340	5,300	3,034	8,334
Cost of sales excluding impact of commodity hedges	3,987	2,744	6,731	3,459	2,249	5,708
Adjustments for commodity hedges <sup>(1)</sup>	(13)	-	(13)	40	1	41
Cost of sales	3,974	2,744	6,718	3,499	2,250	5,749
<b>Gross profit</b>	<b>1,842</b>	<b>780</b>	<b>2,622</b>	<b>1,801</b>	<b>784</b>	<b>2,585</b>
% of sales	31.7%		28.1%	34.0%		31.0%
Selling and marketing expenses	1,026	419	1,445	1,060	521	1,581
General and administrative expenses	385	65	450	382	123	505
Company's share in profits of equity-accounted investees	233	(202)	31	143	(107)	36
<b>Operating profit before incubator investee losses</b>	<b>664</b>	<b>94</b>	<b>758</b>	<b>502</b>	<b>33</b>	<b>535</b>
Share of loss of equity-accounted incubator investees	(23)	-	(23)	(18)	-	(18)
<b>Operating profit before other expenses</b>	<b>641</b>	<b>94</b>	<b>735</b>	<b>484</b>	<b>33</b>	<b>517</b>
% of sales	11.0%		7.9%	9.1%		6.2%
Other expenses, net	(24)	8	(16)	(82)	13	(69)
<b>Operating profit after other expenses</b>	<b>617</b>	<b>102</b>	<b>719</b>	<b>402</b>	<b>46</b>	<b>448</b>
Financing expenses, net	(129)	(55)	(184)	(73)	(35)	(108)
<b>Profit before taxes on income</b>	<b>488</b>	<b>47</b>	<b>535</b>	<b>329</b>	<b>11</b>	<b>340</b>
Taxes on income	(136)	(47)	(183)	(36)	(11)	(47)
Effective tax rate	27.9%		34.2%	11.0%		13.8%
<b>Profit for the period</b>	<b>352</b>	<b>-</b>	<b>352</b>	<b>293</b>	<b>-</b>	<b>293</b>
<b>Profit attributable to shareholders of the Company</b>	<b>277</b>	<b>-</b>	<b>277</b>	<b>232</b>	<b>-</b>	<b>232</b>
Profit attributable to non-controlling interests	75	-	75	61	-	61

Financial data were rounded to NIS millions. Percentage changes were calculated based on the exact figures in NIS thousands.

<sup>(1)</sup> Reflects mark-to-market at end-of-period of open positions in the Group in respect of financial derivatives used to hedge commodity prices and all adjustments necessary to delay recognition of most of the gains or losses arising from commodity derivatives until the date when the inventory is sold to outside parties and/or the financial derivative is exercised.

Presented below are the adjustments to the Company's management (non-GAAP) reports for the quarters ended September 30, 2025 and 2024 (in NIS millions):

Adjustments from the GAAP report for the non-GAAP proportionate consolidation method report						
	Q3 2025			Q3 2024		
	Financial Statements	Change	Proportionate consolidation method	Financial Statements	Change	Proportionate consolidation method
Sales	2,054	1,223	3,277	1,873	1,118	2,991
Cost of sales excluding impact of commodity hedges	1,414	903	2,317	1,245	835	2,080
Adjustments for commodity hedges <sup>(1)</sup>	(7)	-	(7)	(25)	-	(25)
Cost of sales	1,407	903	2,310	1,220	835	2,055
<b>Gross profit</b>	<b>647</b>	<b>320</b>	<b>967</b>	<b>653</b>	<b>283</b>	<b>936</b>
% of sales	31.5%		29.5%	34.9%		31.3%
Selling and marketing expenses	349	149	498	360	174	534
General and administrative expenses	135	23	158	127	40	167
Company's share in profits of equity-accounted investees	110	(102)	8	58	(44)	14
<b>Operating profit before incubator investee losses</b>	<b>273</b>	<b>46</b>	<b>319</b>	<b>224</b>	<b>25</b>	<b>249</b>
Share of loss of equity-accounted incubator investees	(5)	-	(5)	(8)	-	(8)
<b>Operating profit before other expenses</b>	<b>268</b>	<b>46</b>	<b>314</b>	<b>216</b>	<b>25</b>	<b>241</b>
% of sales	13.0%		9.6%	11.6%		8.0%
Other expenses, net	(20)	-	(20)	(19)	-	(19)
<b>Operating profit after other expenses</b>	<b>248</b>	<b>46</b>	<b>294</b>	<b>197</b>	<b>25</b>	<b>222</b>
Financing expenses, net	(52)	(20)	(72)	(40)	(13)	(53)
<b>Profit before taxes on income</b>	<b>196</b>	<b>26</b>	<b>222</b>	<b>157</b>	<b>12</b>	<b>169</b>
Taxes on income	(46)	(26)	(72)	(36)	(12)	(48)
Effective tax rate	23.5%		32.4%	22.8%		27.9%
Profit for the period	150	-	150	121	-	121
<b>Profit attributable to shareholders of the Company</b>	<b>127</b>	<b>-</b>	<b>127</b>	<b>99</b>	<b>-</b>	<b>99</b>
Profit attributable to non-controlling interests	23	-	23	22	-	22

Financial data were rounded to NIS millions. Percentage changes were calculated based on the exact figures in NIS thousands.

<sup>(1)</sup> Reflects mark-to-market at end-of-period of open positions in the Group in respect of financial derivatives used to hedge commodity prices and all adjustments necessary to delay recognition of most of the gains or losses arising from commodity derivatives until the date when the inventory is sold to outside parties and/or the financial derivative is exercised.

Additional adjustments for the management (non-GAAP) reports (share-based payment, valuation of hedging transactions, other expenses and taxes referring to those adjustments):

Additional adjustments for the management (non-GAAP) reports						
	First nine months			Q3		
	2025	2024	% change	2025	2024	% change
<b>Net operating profit (according to the proportionate consolidation method) after other income (expenses)</b>	<b>719</b>	<b>448</b>	<b>60.4%</b>	<b>294</b>	<b>222</b>	<b>32.4%</b>
Share-based payments	16	20		5	7	
Adjustments for commodity hedges <sup>(1)</sup>	(13)	41		(7)	(25)	
Other expenses, net	16	69		20	19	
<b>Operating profit <sup>(2)</sup></b>	<b>738</b>	<b>578</b>	<b>27.6%</b>	<b>312</b>	<b>223</b>	<b>40.1%</b>
Financing expenses, net	(184)	(108)		(72)	(53)	
Taxes on income	(183)	(47)		(72)	(48)	
Taxes in respect of adjustments to the above operating profit	2	(18)		-	2	
<b>Profit for the period</b>	<b>373</b>	<b>405</b>	<b>(7.9%)</b>	<b>168</b>	<b>124</b>	<b>35.5%</b>
<b>Attributable to shareholders of the Company</b>	<b>299</b>	<b>344</b>	<b>(13.2%)</b>	<b>146</b>	<b>102</b>	<b>42.7%</b>
<b>Attributable to non-controlling interests</b>	<b>74</b>	<b>61</b>	<b>21.4%</b>	<b>22</b>	<b>22</b>	<b>2.5%</b>

Financial data were rounded to NIS millions. Percentage changes were calculated based on the exact figures in NIS thousands.

<sup>(1)</sup> Reflects mark-to-market at end-of-period of open positions in the Group in respect of financial derivatives used to hedge commodity prices and all adjustments necessary to delay recognition of most of the gains or losses arising from commodity derivatives until the date when the inventory is sold to outside parties and/or the financial derivative is exercised.

<sup>(2)</sup> In the first nine months of 2024 and for the entire annual period Strauss Israel had a loss due to cocoa commodity derivative positions totaling approximately NIS 78 and 94 million, respectively, in respect of which an adjustment was made in the Company's management (non-GAAP) reports. On the other hand, in Q2 and Q3 2024, a loss was recognized as a result of the exercise of the derivative financial instrument totaling approximately NIS 27 and 18 million, respectively, included in the cost of sales line-item in the Company's management report. In Q1 2025, the outstanding balance totaling approximately NIS 49 million was realized, which is included in the cost of sales line-item in the Company's management (non-GAAP) reports.

## 14. Condensed statement of financial position

Presented below is the condensed financial accounting (GAAP) statement of financial position as of September 30, 2025 and December 31, 2024 (in NIS millions):

Condensed GAAP Statement of Financial Position				
	As of September 30, 2025	As of December 31, 2024	% change	Explanation
Total current assets	3,140	3,582	(12.5%)	The change is largely due to a decrease in cash and cash equivalents, a decline in accounts receivable and debit balances, which was partially offset by an increase in inventory due to stocking up and rising raw materials prices and an increase in the trade receivables balance due to sales growth.
Including: Cash and cash equivalents	329	1,142	(71.2%)	For information on the change in the cash and cash equivalents line-item, see section 21.2 below. According to Company policy, these assets are mainly held in liquid deposits.
Total non-current assets	5,746	5,377	7.0%	The change is largely due to an increase in investments in associates due to investee profits which were partially offset by negative translation differences. As well as an increase in investments in fixed assets and intangible assets.
<b>Total assets</b>	<b>8,886</b>	<b>8,959</b>	<b>(0.8%)</b>	
Total current liabilities	3,086	3,335	(7.6%)	The change is primarily due to the repayment of short-term credit.
Total non-current liabilities	2,227	2,028	10.1%	The change is primarily due to the public issuance of bonds (through an expansion) and the procurement of long-term loans, while, on the other hand, there was a decline in lease liabilities as a result of the Cafe Elite chain sale transaction as described below in section 20.1.
Total equity attributable to majority shareholders	3,225	3,279	(1.7%)	The change is largely due to positive translation differences and income attributable to majority shareholders, and was partially offset by a dividend declared and distributed to shareholders of the Company.
Total equity attributable to Non-controlling interests	348	317	9.5%	The change is due to profits attributable to non-controlling interests, and was partially offset by a dividend declared and distributed.

Financial data were rounded to NIS millions. Percentage changes were calculated based on the exact figures in NIS thousands.

Presented below is the outstanding debt balance as of September 30, 2025 and December 31, 2024 (in NIS millions):

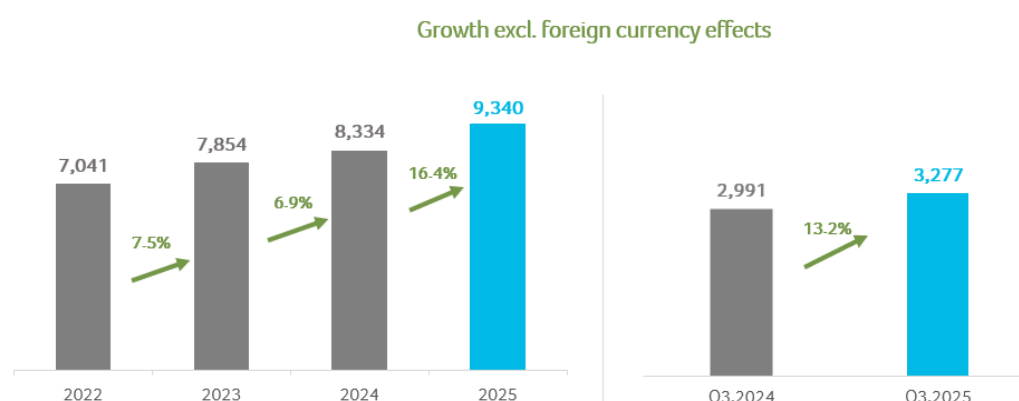
Debt balance				
	As of September 30, 2025	As of December 31, 2024	Change	Explanation
Gross debt – non-GAAP reports	3,353	3,545	(192)	The decline in the debt is primarily due to the repayment of short-term loans. The increase in net debt is primarily attributable to the decline in cash balances partially offset by a decrease in gross debt.
Gross debt – financial accounting (GAAP) reports	2,678	2,812	(134)	
Net debt – non-GAAP reports	2,767	1,989	778	
Net debt – financial accounting (GAAP) reports	2,349	1,670	679	

Financial data were rounded to NIS millions. Percentage changes were calculated based on the exact figures in NIS thousands.

## 15. Key comparative financial data according to the non-GAAP reports

Presented below are key financial data presented in a quarterly comparison, according to the management (non-GAAP) reports:

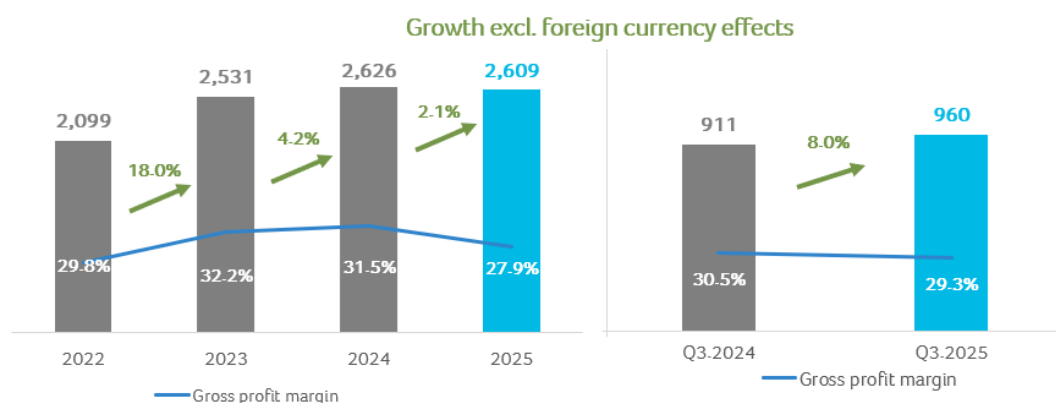
### Net Sales – First Nine Months and Q3



Financial data were rounded to NIS millions. Percentage changes were calculated based on the exact figures in NIS thousands.

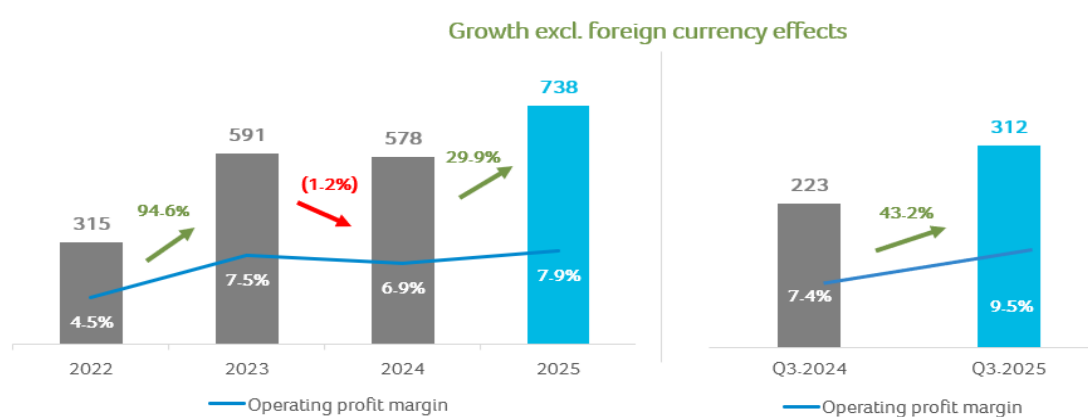


## Gross Profit and Gross Margin – First Nine Months and Q3

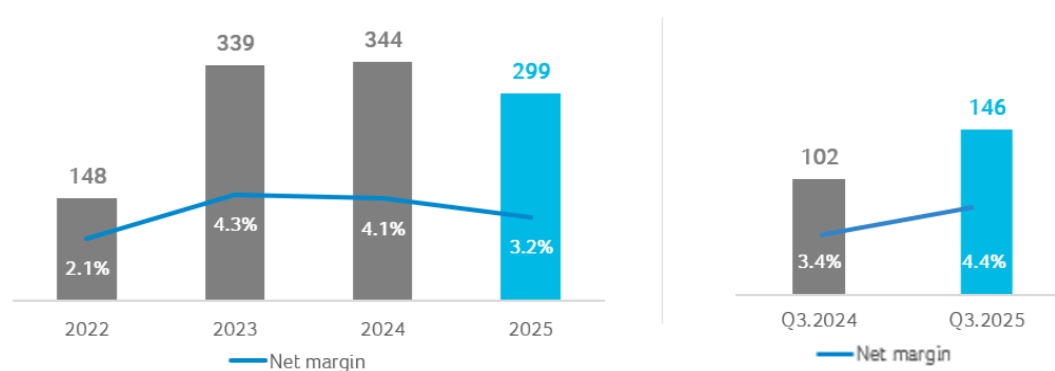


Financial data were rounded to NIS millions. Percentage changes were calculated based on the exact figures in NIS thousands.

## Operating Profit and Operating Margin – First Nine Months and Q3

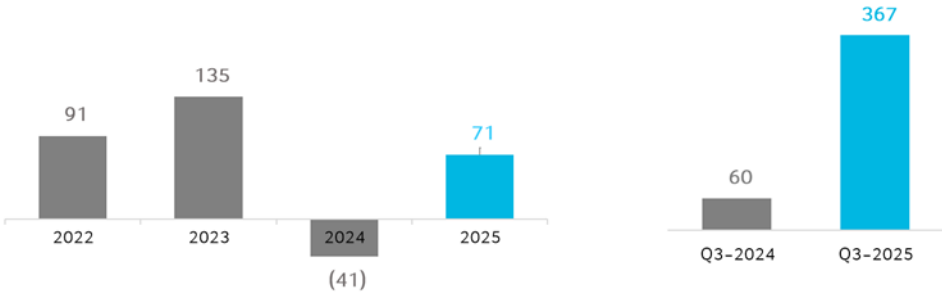


## Net Profit and Net Margin – First Nine Months and Q3

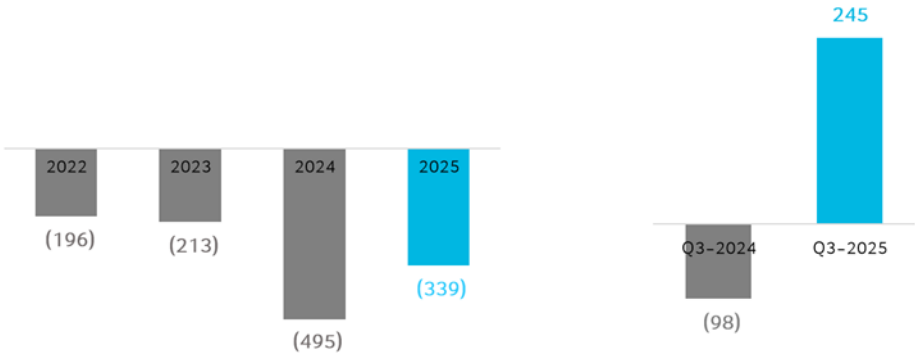




Cash Flows from Operating Activities – First Nine Months and Q3



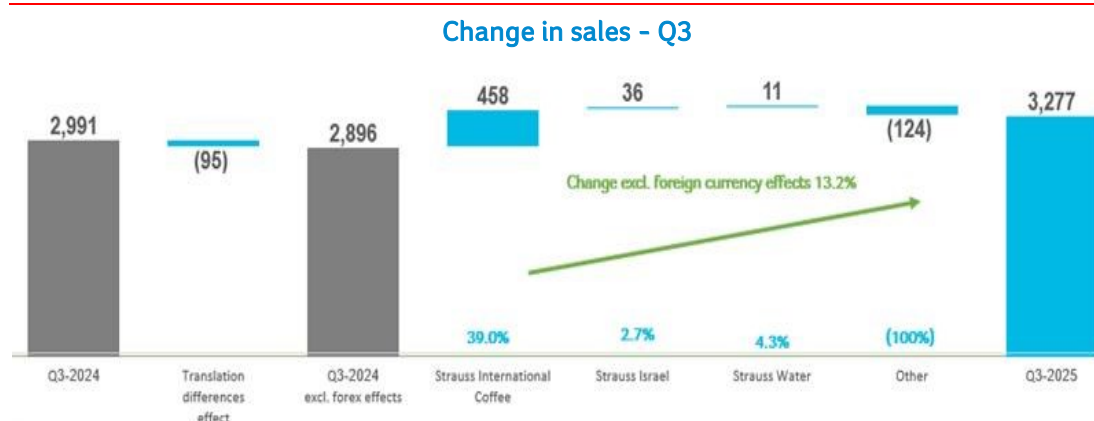
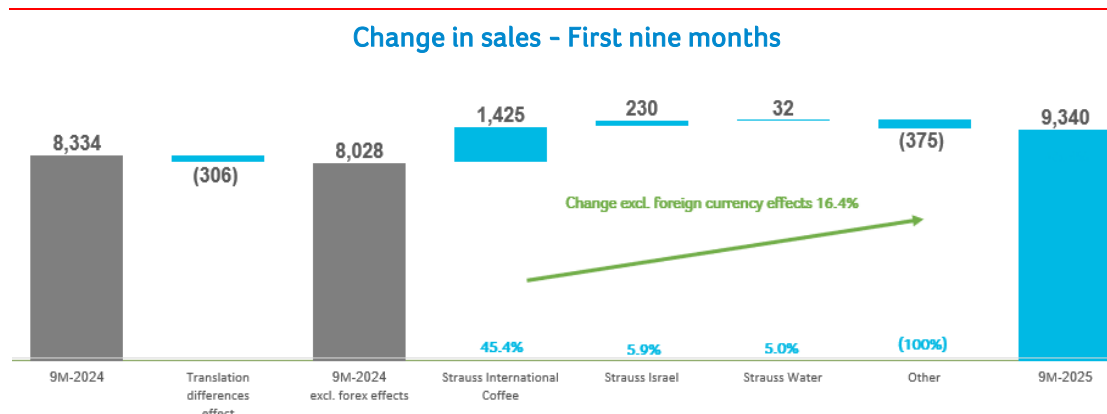
free cash flow \* - First Nine Months and Q3



Financial data were rounded to NIS millions. Percentage changes were calculated based on the exact figures in NIS thousands.  
\* In Q3 and the first nine months of 2025 NIS 22 and 88 million was respectively paid for the financial penalty imposed on the Company by the Commissioner of the Competition Authority in Q4 2024. For further information, see section 2.2 above.

## 16. Sales – non-GAAP

Presented below are the components of the change in sales in the period in local currency and rates of change according to the Company's business segments in local currency based on the management (non-GAAP) reports:



The translation differences effect is calculated according to the average exchange rates in the relevant period.

Financial data were rounded to NIS millions. Percentage changes were calculated based on the exact figures in NIS thousands.

The Group's sales in the first nine months and in Q3 of 2025 were affected by negative translation differences amounting to approximately NIS 306 million, and NIS 95 million, respectively, primarily due to the weakening of the average exchange rate of the Brazilian Real against the Shekel compared to the corresponding period the previous year.

For additional explanations regarding the change in the Group's sales in local currency, see sections 20.1, 20.2 and 20.3 below.

## 17. Gross profit – non-GAAP

Gross profit – non-GAAP								
	First nine months				Q3			
	2025	2024	% change	% change excluding effect of translation differences into NIS	2025	2024	% change	% change excluding effect of translation differences into NIS
Gross profit	2,609	2,626	(0.7%)	2.1%	960	911	5.3%	8.0%
Gross margin	27.9%	31.5%			29.3%	30.5%		

The Group's non-GAAP gross profit in the first nine months and in Q3 of 2025 was negatively affected by exchange rates with the impact amounting to approximately NIS 72 million and NIS 22 million, respectively, largely as a result of the weakening of the average exchange rate of the Brazilian Real against the Shekel compared to the corresponding period the previous year.

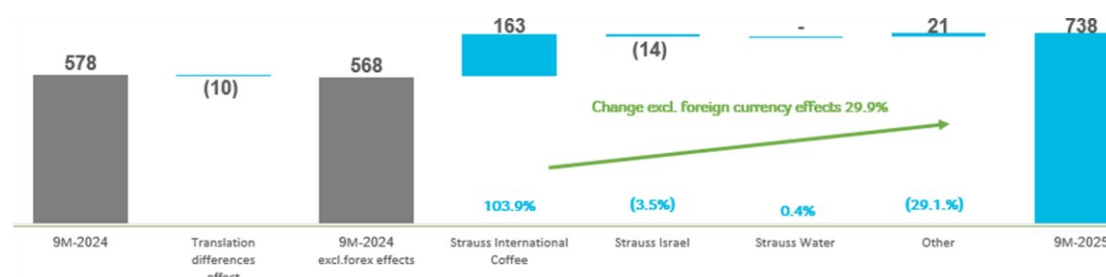
- See section 20.1 below for further explanations on the change in gross profit in the Strauss Israel activity.
- See section 20.2 below for further explanations on the change in gross profit in the International Coffee segment.
- See section 20.3 below for further explanations on the change in gross profit in the Strauss Water segment.

## 18. Operating profit – non-GAAP

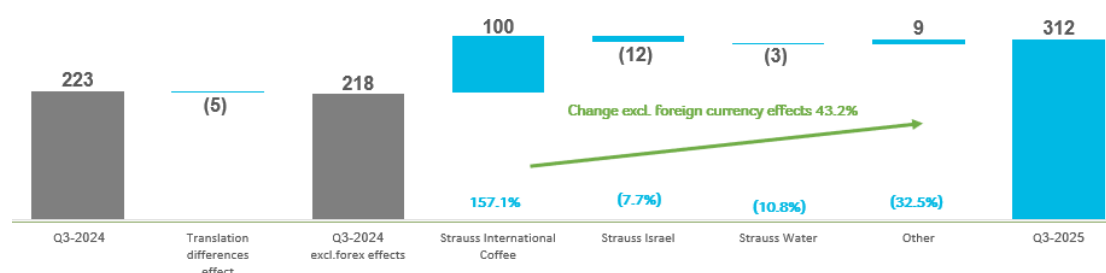
Operating profit – non-GAAP								
	First nine months				Q3			
	2025	2024	% change	% change excluding effect of translation differences into NIS	2025	2024	% change	% change excluding effect of translation differences into NIS
Operating profit	738	578	27.6%	29.9%	312	223	40.1%	43.2%
Operating margin	7.9%	6.9%			9.5%	7.4%		

Presented below are the components of the change in operating profit compared to the corresponding period the previous year, according to the Company's business segments:

### Change in Operating Profit – First nine months



### Change in Operating Profit – Q3



The translation differences effect is calculated according to the average exchange rates in the relevant period. Financial data were rounded to NIS millions. Percentage changes were calculated based on the exact figures in NIS thousands.

For additional explanations regarding the change in the Group's operating profit in the first nine months and in Q3 of the year, see sections 20.1, 20.2 and 20.3 below.

## 19. Comprehensive income for the period (according to the financial accounting (GAAP) report)

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Comprehensive GAAP income in the first nine months of 2025 amounted to approximately NIS 365 million, compared to comprehensive income of approximately NIS 349 million in the corresponding period the previous year. Profits from translation differences, which are the main component of other comprehensive income, totaled NIS 13 million in the first nine months of 2025, compared to foreign currency translation gains of approximately NIS 56 million in the corresponding period the previous year.

Comprehensive GAAP income amounted to approximately NIS 118 million in Q3 2025, compared to comprehensive income of NIS 126 million in the corresponding period the previous year. Losses from translation differences, which are the main component of other comprehensive income, totaled approximately NIS 32 million in Q3 2025, compared to foreign currency translation gains of approximately NIS 5 million in the corresponding period the previous year.

## 20. Analysis of the results of the Group's major business units

Presented below are sales from the Group's overall activity in Israel, which include the Health & Wellness, Fun & Indulgence (Snacks and Confectionery), Fun & Indulgence (Israel Coffee) and Strauss Water Israel (Tami 4) segments:

Data on Strauss Group's Sales in Israel							
	First nine months			Q3			Explanation
	2025	2024	% change	2025	2024	% change	
The Group's sales in Israel *	4,732	4,491	5.4%	1,624	1,586	2.4%	The increase in sales is attributable to revised sales prices, higher sales volumes and an improved sales mix. Additionally, the Strauss Water activity also contributed to growth thanks to growth in the customer base and a greater sales volume.

Financial data were rounded to NIS millions. Percentage changes were calculated based on the exact figures in NIS thousands.

\* Comparison figures include sold activity.

### 20.1. Israel Activity

According to StoreNext,<sup>1</sup> as of September 30, 2025, the Group is the second-largest food and beverage group in the barcoded market in Israel based on total sales, whereby in the first three quarters of 2025 the Group had approximately 12.2% of the total retail food and beverage market in Israel (in terms of value), compared with a market share of approximately 11.7% in the corresponding period the previous year.

For further information about the prices of raw materials and other manufacturing inputs, see section 5 above.

In December 2024, the Group announced an update of its sell-in prices for chocolate and coffee products (the price increase became effective in January 2025), due to protracted price increases of cocoa and coffee raw materials. The Group raised the prices of products which have cocoa and coffee as a significant raw material, including, among others, chocolate tablets, premium cakes, roasted coffee, instant coffee and Chocolite instant chocolate powder. The

<sup>1</sup> 2025 data were adjusted for StoreNext's updated calculations according to a report published on October 12, 2025. It should be noted that Strauss Water's business is not included in StoreNext's market share measurements.

Group raised its product prices by approximately 2.9% on average. At the same time, the price revision included a 10% decline in the sale price of olive oil products.

In June 2025, the Company revised dairy product prices by approximately 1.5%, following the government's decision to amend the prices of controlled dairy products as described above in section 10.

In June 2025 the Group announced it was updating its sell-in prices of chocolate and coffee products (the price increase became effective in July 2025), by an average of approximately 2.1% of the Company's Israel sales, in wake of the trend of higher raw material prices, higher coffee and cocoa prices, particularly over the previous year. In November 2025 the Group announced a 10% decline in the sale price of olive oil products.

Presented below are the condensed operating results, based on the management (non-GAAP) reports, for the Israel activity by segment for the first nine months and the quarters ended September 30, 2025 and 2024:

Condensed operating results - The Israel Activity							
	First nine months			Q3			Explanation
	2025	2024	% change	2025	2024	% change	
Net sales	4,122	3,892	5.9%	1,407	1,371	2.7%	The increase in sales is primarily attributable to increased sales volume, improvement in the sales mix and revised sales prices due to an increase in raw material prices.
Gross profit	1,385	1,428	(3.1%)	474	499	(5.1%)	The decline in profit and gross margin in the first nine months of 2025 is attributable to increased cocoa, coffee and raw milk raw material prices.
% gross profit	33.6%	36.7%		33.7%	36.4%		
Operating profit	394	408	(3.5%)	146	158	(7.7%)	In the first three quarters of the year, the decline in profit and margin is primarily attributable to higher raw material prices, as mentioned above, while productivity measures and revised sales prices partially offset these impacts.
% operating profit	9.6%	10.5%		10.4%	11.5%		

Financial data were rounded to NIS millions. Percentage changes were calculated based on the exact figures in NIS thousands.



### Condensed results by segment

Condensed operating results – The Israel Activity by segment							
	First nine months			Q3			Explanation
	2025	2024	% change	2025	2024	% change	
Health & Wellness segment							Sales of the Health & Wellness segment were impacted by growth in volume and improved mix in the first nine months of the year. The year-over-year decline in profit and margin in Q3 is attributable to higher marketing costs, the cessation of the fresh vegetable activity, and higher one-off costs associated with food quality and safety, while the improved margin in the first nine months is attributable to higher sales and the implementation of productivity measures.
Net sales	2,369	2,312	2.5%	821	827	(0.6%)	
Cost of sales	1,486	1,449	2.6%	520	512	1.7%	
Operating profit	302	286	5.7%	101	120	(15.5%)	
% operating profit	12.8%	12.4%		12.4%	14.5%		
Fun & Indulgence (Snacks and Confectionery) segment							
Net sales	1,060	955	11.0%	365	323	12.9%	The increase in sales is attributable to revised sales prices due to increased raw material prices as well as growth in volume. The increase in cost of sales is largely due to an increase in cocoa prices during the period. The decline in operating profit and operating margin in the first nine months of 2025 is primarily due to an increase in the cost of sales and the realization of losses deriving from cocoa commodity derivatives in Q1 2025 which was higher than the corresponding quarter the previous year, which was partially offset by revised sales prices and the improved sales mix. The growth in operating profit and operating margin in Q3 of the year is primarily attributable to the fact that a loss was realized for cocoa commodity derivatives in the corresponding quarter the previous year.
Cost of sales	814	666	22.3%	271	230	18.0%	
Operating profit (loss)	-	39	(100.4%)	15	9	61.7%	
% operating profit (loss)	(0.0%)	4.1%		4.0%	2.8%		
Fun & Indulgence (Israel Coffee) segment							
Net sales	693	625	10.8%	221	221	(0.2%)	In the first nine months of the year the increase in operating profit and margin is attributable to the increase in sales to the revised sales prices and higher volume, which was partially offset by an increase in raw material prices. There were countervailing influences in Q3 2025, including revised sales prices on the one hand, and a decline in volume on the other. Furthermore, in Q2 2025, the Company sold the Cafe Elite chain activity (as described below).
Cost of sales	437	349	25.2%	142	130	9.0%	
Operating profit	92	83	11.5%	30	29	4.3%	
% operating profit	13.3%	13.2%		13.5%	12.9%		

Financial data were rounded to NIS millions. Percentage changes were calculated based on the exact figures in NIS thousands.



- As part of the strategic decision to strengthen the Group's presence in plant-based solutions as stated in section 2.2 of the 2024 Annual Board of Directors Report and section 23 of the Description of the Company's Business Report for 2024, in August 2025 the Group partially commenced production at the new plant to manufacture plant-based milk substitute products. The plant is part of the "Michael" production campus, located in the Bar Lev Industrial Zone (Achihud) adjacent to the Achihud Dairy owned by the Group. For further information, see Note 13.1 to the Consolidated Financial Statements as of December 31, 2024 and section 8.2.1 to the Description of the Company's Business Report for 2024.
- The Group is continuing to invest in infrastructures in Israel in accordance with that stated in sections 8.2.7 and 8.3.7 of the Description of the Corporation's Business Report for 2024, including another production line at Yotvata and logistic centers in Bror Hayil for the Yotvata activity and the salty snack plant which is expected to be completed at the end of 2025.
- The Company's assessment of the completion of the production line and logistic centers, as stated above, is forward-looking information as defined in the Securities Law, which is based on information available to the Company on the publication date of this report and includes the Company's estimates as of the publication date of the report, which may differ materially from those anticipated, among other things due to external events such as various developments that could occur on a macro-economic level and/or with the security situation in the areas of the plants, not in the Group's control.
- For further information about the option agreement pertaining to the Company and Pepsico's holdings in Strauss Frito-Lay Ltd., see section 8.3.15 of the Description of the Company's Business Report for 2024, section 2.2 of the 2024 Annual Board of Directors Report and Note 21.4.1 of the Consolidated Financial Statements as of December 31, 2024.

In February 2025, the Group entered into an agreement with a third-party to sell the activity of the Elite Café chain at an amount immaterial for the Group. In March 2025 the conditions precedent were satisfied and the transaction closed in June 2025. For details see Note 4.7 to the Condensed Consolidated Interim Financial Statements as of September 30, 2025 and section 8.4.2 to the Description of the Company's Business Report for 2024.

- For information on the merger agreement with Wyler Farms Ltd. and the decision by the Commissioner of the Competition Authority, see section 2.2 above and Note 6.5 to the Condensed Consolidated Interim Financial Statements as of September 30, 2025.
- Further to Note 15.2 to the 2024 Annual Consolidated Financial Statements regarding supplier finance arrangements, as of September 30, 2025, trade payables included in the reverse factoring arrangement with the Israel activity amounted to approximately NIS 106 million (as of September 30, 2024: NIS 78 million).

## 20.2. International Coffee activity

According to Euromonitor data, in 2024 the Group's coffee activity (including 100% of the activity of the Três Corações (JV)) made it the third largest player in the global retail market in terms of value market share, with approximately 2.9% of the global coffee market in terms of value in 2024.

In the International Coffee activity segment, the Group develops, manufactures and markets a broad range of assorted coffee products, including ready-to-drink, and drink powder products in Brazil (through Três Corações (JV)), as well as in Poland, Romania, Ukraine and Russia, and also markets and distributes in Brazil (through Três Corações (JV)) coffee machines for home use and AFH (away from home). In Germany - The Group owns a manufacturing facility to produce freeze-dried instant coffee which is primarily sold to the Group's subsidiaries as well as to external customers. In the first nine months of 2025, Brazil constitutes approximately 71% of the entire sales of the International Coffee activity (based on a 50% stake in Três Corações (JV)).

The Group also markets and distributes coffee machines and coffee products for away-from-home (AFH) consumption at hotels, cafés, offices, etc. As part of its activity in Brazil (through Três Corações (JV)) the Group invests in developing and growing categories other than R&G coffee, such as capsules and coffee machines, coffee and milk powders, corn products, plant-based dairy alternatives, chocolate powders and juice powders which are relatively more profitable and have more growth potential, with the objective of expanding the categories the Company is active in and to maximize possible sales through the sales and distribution platform.

Following the substantial increase in green, Robusta and Arabica coffee prices, the Group updated the sales prices of various coffee products in all countries of operations. In addition to revising sales prices for its customers, the Group is working in additional ways to mitigate the effects of rising coffee prices, among others by applying the Group's formal hedging policy, mitigation plans and operational efficiency enhancement. For further information on raw

material prices (particularly green coffee) and other production inputs, and the method applied by the Company to manage the associated risks, see section 5 above and section 5 of the 2024 Annual Board of Directors Report.

See section 4 above for information on the Russia-Ukraine war.

A new European regulation called "EUDR" (Regulation on Deforestation-Free Products) is expected to come into effect on December 30, 2025. The purpose of the regulation is to ensure that the following products: Palm oil, soy, timber, beef, cocoa, coffee, and rubber, are not produced in areas where forests have been cleared for their cultivation (or used to cultivate the raw materials they are made from). To achieve this, the European Union created a set of standards, guidelines, and monitoring mechanisms to ensure that raw materials and products entering the market comply with the regulatory requirements for the EU member states. As of the date of the report, the Company is preparing to comply with the regulations and making the necessary adjustments, in order to comply with the relevant requirements upon the regulation becoming effective at the aforementioned time.

Further to Note 15.2 to the 2024 Annual Financial Statements regarding supplier finance arrangements, as of September 30, 2025, trade payables included in the reverse factoring arrangement with the International Coffee activity amounted to approximately NIS 453 million (as of September 30, 2024: NIS 340 million).

Presented below are the condensed operating results, based on the management (non-GAAP) reports, of the International Coffee activity for the first nine months ended September 30, 2025 and 2024 (in NIS millions):

Condensed operating results - International Coffee activity				
	First nine months			Explanation
	2025	2024	% change	
Net sales	4,560	3,418	33.4%	The increase in sales is primarily due to updated prices due to increased green coffee prices, along with a decline in volume in most regions. On the other hand, the growth in sales was offset by the impact of currency exchange rates, primarily the strengthening of the Shekel primarily against the Brazilian Real relative to the corresponding period last year. For more information please refer to "International Coffee activity sales by major geographical regions" in section 20.2.1 below.
Cost of sales	3,657	2,666	37.2%	The increase in cost of sales is largely due to an increase in green coffee prices in all regions which was partially offset by the implementation of productivity measures.
Operating profit	320	167	91.3%	The increase in operating profit for the coffee activity is due to increased sales as noted above, which was partially offset by an increase in the price of raw materials and higher operating expenses.
% operating profit	7.0%	4.9%		

Financial data were rounded to NIS millions. Percentage changes were calculated based on the exact figures in NIS thousands.

Presented below are the condensed operating results, based on the management (non-GAAP) reports, of the International Coffee activity for the quarters ended September 30, 2025 and 2024 (in NIS millions):

Condensed operating results - International Coffee activity				
	Q3			Explanation
	2025	2024	% change	
Net sales	1,636	1,259	30.0%	Growth in sales is primarily attributable to revised sales prices due to the rise in green coffee prices, as well as increased sales volume in most regions, which was partially offset by a negative impact of exchange rates and particularly the strengthening of the Shekel against the Brazilian Real compared with the corresponding quarter last year. For more information please refer to "International Coffee activity sales by major geographical regions" in section 20.2.1 below.
Cost of sales	1,264	999	26.6%	The increase in cost of sales is largely due to an increase in green coffee prices in all regions which was partially offset by the implementation of productivity measures.
Operating profit	163	68	139.8%	The increase in operating profit for the coffee activity is due to increased sales as noted above, which was mostly offset by an increase in raw materials and higher operating costs.
% operating profit	9.9%	5.4%		

Financial data were rounded to NIS millions. Percentage changes were calculated based on the exact figures in NIS thousands.

### 20.2.1. International Coffee activity sales by major geographical regions

Presented below are sales by the International Coffee activity in the major geographical regions (not including intercompany transactions) and growth rates for the first nine months ended September 30, 2025 and 2024 (in NIS millions):

International Coffee activity sales by major geographical regions					
Geographical region	First nine months				Explanation
	2025	2024	% change	% change in local currency (1)	
Brazil - 50% of Três Corações (2) (3)	3,252	2,381	36.6%	54.3%	The growth in Três Corações's sales in local currency is primarily due to revised sales prices. The Company's sales were adversely impacted by the strengthening of the Shekel against the Brazilian Real by approximately NIS 271 million. See section 20.2.2 below for more information.
Russia	492	386	27.5%	24.8%	Sales growth in local currency is primarily the result of revised sales prices, and was partially offset by a decline in sales volume. The Company's sales were favorably affected by approximately NIS 9 million due to the weakening of the Shekel against the Russian Ruble.
Ukraine	142	114	24.4%	37.2%	Sales growth in local currency is primarily due to revised sales prices. The Company's sales were negatively affected by the strengthening of the Shekel against the Hryvnia, with the effect amounting to approximately NIS 11 million.
Poland	459	309	48.8%	49.7%	The growth in sales in local currency is primarily due to revised sales prices and increased sales volume. Sales were adversely impacted by the strengthening of the Shekel against the Polish Zloty, with the effect amounting to approximately NIS 2 million.
Romania	215	178	20.5%	24.6%	Sales growth in local currency is primarily due to revised sales prices and was partially offset by a decline in sales volume. The Company's sales were adversely impacted by the strengthening of the Shekel against the Romanian Leu, with the effect amounting to approximately NIS 6 million.
Serbia	-	21	(100.0%)	(100.0%)	The activity in Serbia ended following the sale of the company in Serbia at the end of February 2024. For more information, see section 20.2 of the 2024 Annual Board of Directors Report.
Other	-	29	(100.0%)	(100.0%)	The income in the corresponding period derive from the sale of green coffee to the business in Serbia, after its sale.
<b>Total International Coffee</b>	<b>4,560</b>	<b>3,418</b>	<b>33.4%</b>	<b>45.4%</b>	

Financial data were rounded to NIS millions. Percentage changes were calculated based on the exact figures in NIS thousands.

- (1) The growth rate in local currency neutralizes the impact on growth in the countries' sales of exchange rate changes in the different countries against the Shekel.  
 (2) Três Corações (JV) (Brazil) – a joint venture between the Group (50%) and São Miguel Group (50%); (Data reflect Strauss Coffee's share (50%))  
 (3) Três Corações' sales – excluding intercompany transactions between Três Corações Alimentos S.A. and Strauss Coffee.

Presented below are sales by the International Coffee activity in the major geographical regions (not including intercompany transactions) and growth rates for the quarters ended September 30, 2025 and 2024 (in NIS millions):

International Coffee activity sales by major geographical regions					
Geographical region	Q3				Explanation
	2025	2024	% change	% change in local currency (4)	
Brazil - 50% of Três Corações (5) (6)	1,132	894	26.7%	37.5%	The growth in Três Corações's sales in local currency is primarily due to revised sales prices and increased sales volume. The Company's sales were adversely impacted by the strengthening of the Shekel against the Brazilian Real by approximately NIS 70 million. See section 20.2.2 below for more information.
Russia	197	148	32.5%	32.6%	The growth in sales in currency is due to revised sales prices and increased sales volume. Changes in exchange rates did not have a material effect on the Company's sales.
Ukraine	50	40	27.4%	42.0%	The growth in sales in local currency is primarily due to revised sales prices and increased sales volume. The Company's sales were negatively affected by the strengthening of the Shekel against the Hryvnia, with the effect amounting to approximately NIS 4 million.
Poland	171	104	65.7%	71.0%	Sales growth in local currency is due to an increase in sales prices and increased sales volumes. The Company's sales were adversely impacted by the strengthening of the Shekel against the Polish Zloty, with the effect amounting to approximately NIS 3 million.
Romania	86	73	16.2%	23.1%	Sales growth in local currency is primarily due to revised sales prices which was partially offset by a decline in sales volume. The Company's sales were adversely impacted by the strengthening of the Shekel against the Romanian Leu, with the effect amounting to approximately NIS 4 million.
<b>Total International Coffee</b>	<b>1,636</b>	<b>1,259</b>	<b>30.0%</b>	<b>39.0%</b>	

Financial data were rounded to NIS millions. Percentage changes were calculated based on the exact figures in NIS thousands.

(4) The growth rate in local currency neutralizes the impact on growth in the countries' sales of exchange rate changes in the different countries against the Shekel.

(5) Três Corações (JV) (Brazil) – a joint venture between the Group (50%) and São Miguel Group (50%); (Data reflect Strauss Coffee's share (50%))

(6) Três Corações' sales – excluding intercompany transactions between Três Corações Alimentos S.A. and Strauss Coffee.



### 20.2.2. Três Corações Alimentos S.A. (JV) (Brazil)<sup>1</sup> – a joint venture between the Group (50%) and São Miguel Group (50%); (Data reflect Strauss Coffee's share (50%))

In the first nine months of 2025, Três Corações (JV)'s average value market share<sup>2</sup> in R&G was approximately 33.6%, compared to approximately 32.7% the previous year. In the Financial Statements (GAAP report), the Group's share of the joint venture is accounted for under the equity method.

Presented below are selected financial data on Três Corações (JV)'s business, in **BRL millions** (data reflect the Group's ownership interest (50%)):

Selected Financial Data on Três Corações (JV)’s Business							
	First nine months			Q3			Explanation
	2025	2024	% change in local currency	2025	2024	% change in local currency	
Sales	5,254	3,402	54.4%	1,845	1,342	37.5%	Sales growth mainly reflects the revised sales prices.
Gross profit	1,034	720	43.6%	437	268	63.4%	The growth in gross profit is primarily due to revised sales prices which was partially offset by increased raw material prices. The decline in gross margin in the first nine months of the year is largely due to an increase in raw material prices (primarily green coffee).
Gross margin	19.7%	21.2%		23.7%	19.9%		
Operating profit before other income/expenses	396	143	178.2%	208	71	193.0%	
Operating margin	7.5%	4.2%		11.3%	5.3%		The increase in operating profit and operating margin is primarily due to the increase in gross profit and additionally, due to operating efficiencies initiatives, which were partially offset by increased operating expenses.

Financial data were rounded to BRL millions. Percentage changes were calculated based on the exact figures in BRL thousands.

<sup>1</sup> The Group's operations in Brazil also include a joint venture (50%) together with the São Miguel Group (50%) in a sister company, Três Corações Imóveis, whose results are not material to the Group's overall activities.

<sup>2</sup> Based on Nielsen data as of the end of September.

Presented below are selected data on Três Corações (JV)'s business, in NIS millions \* (data reflect the Group's holdings (50%)):

Selected Financial Data on Três Corações (JV)'s Business						
	First nine months			Q3		
	2025	2024	% change	2025	2024	% change
Sales	3,269	2,387	36.9%	1,138	897	26.9%
Gross profit	643	506	27.1%	269	179	50.0%
Operating profit before other income/expenses	247	99	149.7%	129	48	171.2%

Financial data were rounded to NIS millions. Percentage changes were calculated based on the exact figures in NIS thousands.

\* Financial data are based on the average exchange rates during the period.

### 20.3. The Strauss Water activity

The Group is active in the drinking water market through Strauss Water Israel, and is engaged in the development, production (through outsourcing), assembly, sale, marketing and servicing of water filtration, purification and carbonation at the point of use (POU) systems. As of the date of the report, the activity is primarily performed in Israel under the Tami4 brand. The Group also has an immaterial business in England. As of the date of the report and following the end of the engagement with respect to the Virgin Pure brand, in March 2024 the Company launched a new brand ('our taap') for its activity in England. For further information, see section 10.8 in the Description of the Company's Business Report for 2024. Strauss Water also has a material holding (49%) in an associate company (HSW) which is a joint venture established by Strauss Water with Haier Group, which is active in China, mainly in the filtration and purification of drinking water at the point of use (POU) as well as of the point of entry to the home (POE systems). In Israel, water filtration, purification and carbonation appliances are sold to end customers together with a service agreement for consumable components. For further information about the service agreement and its terms, see section 10.2 of the Description of the Company's Business Report for 2024. The Group has factoring arrangements with third parties for part of these payments and non-recourse factoring arrangements for water bar sale and service agreements.

In September 2025, the Company expanded its product portfolio by releasing the "shabbat" water bar targeting the sabbath observant community.

Presented below are the condensed operating results, based on the management (non-GAAP) reports, of Strauss Water for the first nine months and the quarters ended September 30, 2025 and 2024 (in NIS millions):

Condensed operating results - The Strauss Water activity							
	First nine months			Q3			Explanation
	2025	2024	% change	2025	2024	% change	
Net sales	658	627	4.9%	234	224	4.1%	The increase in sales is primarily attributable to growth in the customer base in Israel and in the UK, and an improved sales mix.
Cost of sales	337	330	2.0%	120	122	(1.5%)	Most of the growth is attributable to an increase in device sales, and growth in the customer base and was offset by productivity measures.
Operating profit	75	75	0.1%	23	26	(11.5%)	The decline in operating profit and operating margin in Q3 is primarily attributable to a decline in HSW's profit due to fierce competition in the Chinese market, and the actions taken by the Company to maintain and increase market share through marketing measures and increasing the product portfolio. The aforesaid decline is partially offset by increased sales and operating efficiency measures as stated above.
% operating profit	11.4%	11.9%		9.8%	11.6%		

Financial data were rounded to NIS millions. Percentage changes were calculated based on the exact figures in NIS thousands.

### 20.3.1. Results of Haier Strauss Water (HSW)<sup>1</sup>

Presented below are selected financial data on HSW's business in RMB millions¥(data reflect 100% ownership):

Condensed operating results - HSW							
RMB millions	First nine months			Q3			Explanation
	2025	2024	% change	2025	2024	% change	
Sales	1,394	1,276	9.3%	460	407	13.2%	The increase is primarily attributable to the improved sales mix and increased marketing effort.
Net profit	137	157	(12.5%)	34	54	(37.4%)	The decline in net profit is primarily attributable to investments in product development, marketing and improving sales channels due to strengthening competition in China.

Financial data were rounded to RMB millions. Percentage changes were calculated based on the exact figures.

Presented below are selected financial data on HSW's business in NIS millions \* (data presented below reflect 100%):

Condensed operating results - HSW						
NIS millions	First nine months			Q3		
	2025	2024	% change	2025	2024	% change
Sales	679	659	3.1%	216	213	1.6%
Net profit	67	81	(16.7%)	16	28	(42.8%)

Financial data were rounded to NIS millions. Percentage changes were calculated based on the exact figures in NIS thousands.

\* Financial data are based on the average exchange rates during the period.

For further information about the establishment of another production plant in China, see section 20.3.1 of the 2024 Annual Board of Directors Report and Note 11.6.4 to the Consolidated Financial Statements as of December 31, 2024.

<sup>1</sup> Including the results of HSW and the other manufacturing plant in China as described in section 10.13 of the Description of the Company's Business Report for 2024.

## **20.4. Other activity**

### **20.4.1. The International Dips & Spreads activity**

On December 3, 2024, the Group (through its subsidiary S.E USA Inc.) completed the sale of its entire holdings in Sabra and Obela (50%) to companies owned by the US conglomerate PepsiCo. In the first nine months of 2024, the sales and operating margin (based on 50%) of the International Dips & Spreads segment came to approximately NIS 392 million and NIS 4 million, respectively, and in Q3 2024 the sales and operating profit (based on 50%) came to approximately NIS 135 million and NIS 1 million, respectively. For further information, see section 2.2 of the 2024 Annual Board of Directors Report and Notes 11.6.5, 21.4.1, 21.4.5 and 21.4.6 to the Consolidated Financial Statements as of December 31, 2024.

### **20.4.2. The incubator activity**

Since its inception in January 2015 through to the date of this report, the FoodTech incubator project has invested in 29 companies (including 23 investments made by Incubator 1 and 6 investments by Incubator 2), some of which have completed product development, commenced initial sales and raised further funds. The Company participated in some of these funding rounds, investing sums that are immaterial to the Group. For a list of the companies included in the incubator project and their areas of activity, see section 11.2 of the Description of the Corporation's Business Affairs for 2024. The incubator activity invested in one of the incubator companies in Q3 2025.

As of September 30, 2025, the total value of investments in incubator investees, which are presented in the financial statements according to the equity method, was approximately NIS 45 million (as of September 30, 2024: approximately NIS 78 million). The estimated value of these investments on the above date was approximately NIS 203 million (on September 30, 2024: approximately NIS 350 million).

Since the beginning of 2023 there has been a negative sentiment in the Israeli capital markets apparent in a negative trend in investments in hi-tech companies, and especially food-tech companies. This trend has led to a negative impact on the investees' ability to raise capital and their future value. The Swords of Iron war has had a further negative impact on the ability to raise money, as well as impacted the value of Israeli startup companies and particularly the incubator companies.

Upon the expiration of the concession awarded to Incubator 1, on December 31, 2023, the Board of Directors of the Group passed a resolution to take steps (in principle) to realize the investments in Incubator 1.

The estimated value of the incubator's investments in most of the investees is based on the information from the last funding rounds executed in 2021-2025. This estimate refers to the timing of the investees' last funding round, the market trend in the period since the date of the round as well as fundraising possibilities open to the company at the present time, and the ROI on the companies' R&D. Companies unlikely to be able to raise funds in the future or whose activity was discontinued were zeroed out or valued at their most up to date estimated value proximate to the publication date of the report.

To the best of the Company's knowledge, the cash flows provided by the abovementioned funding rounds are earmarked to serve the incubator investees for the purpose of further investment activity, research and development, selling and marketing, and consequently, in the Company's estimate, in the foreseeable future the Company is expected to record losses on the incubator companies, which could reduce all or part of the gains recognized to date.

The information contained in this section with respect to the estimated value and expected losses, based on the factors specified above, is forward-looking information as defined in the Securities Law, which is based on the Company's estimates regarding the realization of the incubator investees' business plans, which may not materialize or may materialize differently if the actual realization of those business plans differs from the Company's expectations, and also since they are contingent on the environment and market conditions in which the investees operate.

## LIQUIDITY, SOURCES OF FINANCE AND FINANCIAL POSITION

**2,349**  
Net debt

**2,678**  
Gross debt

**ilAA+**  
S&P Maalot  
rating - Stable  
outlook

**Aa1**  
Midroog  
rating- Stable  
outlook

**4.58**  
Average life

Net debt-to-EBITDA ratio



Financial data are GAAP data in NIS millions. Percentages were calculated based on the exact figures in NIS thousands.

The GAAP net debt to EBITDA ratio increased due to an increase in net debt due to changes in working capital and the payment of a dividend.

## 21. Liquidity

### 21.1 Credit rating

On April 3, 2025, the Company announced that S&P Global Ratings Maalot Ltd. (Maalot) ratings agency had affirmed the iIAA+ rating of the Company and its debentures with a stable outlook. For more information, see the immediate report published by the Company on April 3, 2025 (Ref. No: 2025-01-024722). On June 16, 2025, the Company announced that Midroog ratings agency had left the Aa1.il rating for the Company's debentures unchanged and changed the rating outlook from negative to stable (for further information, see the immediate report of June 16, 2025 (Ref. No: 2025-01-042952)).

On June 18, 2025, the Company announced that S&P Global Ratings Maalot Ltd. (Maalot) had issued an iIAA+ rating with a stable outlook and that Midroog ratings agency had given an Aa1.il rating with a stable outlook for the issuance of debentures (Series F) through a series expansion of up to NIS 550 million par value. For further information, see the immediate reports of June 18, 2025 (Ref. No: 2025-01-043405 and 2025-01-043451).<sup>1</sup>

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<sup>1</sup> To provide a full picture it should be noted that both rating reports of June 18, 2025, were update notifications of earlier rating announcements by these companies, that said rating is for the issuance of debentures (Series F) by way of a series expansion of up to NIS 550 million par value, rather than NIS 350 million par value which had been rated earlier.



## 21.2 Cash flows

Presented below is information on GAAP cash flows deriving from (utilized for) the Group's operating activities and from investing and financing activities:

Cash flow				
	First nine months			Explanation
	2025	2024	Change	
Cash Flows from Operating Activities	92	339	(247)	The decline is primarily attributable to a negative change in the balance of trade payables (a higher balance last year due to high commodity prices) and higher interest payments, which was partially offset by higher EBIT and low tax payments.
Cash flows from investment activities	(344)	(415)	71	The increase is primarily attributable to a change in deposits and investments in fixed assets and intangible assets compared with the corresponding period.
Cash flows from financing activities	(526)	(26)	(500)	The change is primarily attributable to a net decline in short-term and long-term credit and a higher dividend to the shareholders compared with the corresponding period year-over-year, which was partially offset by an increase in long-term credit due to the public issuance of debentures (Series F) (through an expansion) in Q2 2025.

Financial data were rounded to NIS millions.

Cash flow				
	Q3			Explanation
	2025	2024	Change	
Cash Flows from Operating Activities	165	180	(15)	The change is largely due to a negative change in balances of trade receivables and trade payables which was offset by a positive change in the levels of inventory compared to the corresponding period last year.
Cash flows from investment activities	(105)	(84)	(21)	In the corresponding period last year there were revenues from the sale of a subsidiary's business and a dividend received from investees, while, on the other hand, in Q3 this year there was a decline in investments in fixed assets and intangible assets.
Cash flows from financing activities	(105)	(100)	(5)	The change is primarily attributable to a net decline in short and long-term credit compared with the corresponding period year-over-year.

Financial data were rounded to NIS millions.

### 21.3 Average credit levels

Presented below is information on average credit levels:

Average credit levels							Explanation
	First nine months			Q3			
	2025	2024	Change	2025	2024	Change	
Long-term credit according to the non-GAAP reports	3,175	3,201	(26)	3,250	3,176	74	The decline in short-term credit is primarily due to the net repayment of long-term bank loans and credit, an increase in the scope of long-term credit in Q3 is primarily due to the issuance of debentures (an expansion) in June 2025.
Average short-term credit according to the non-GAAP reports	217	450	(233)	130	694	(564)	
Long-term credit according to the financial accounting (GAAP) reports	2,498	2,581	(83)	2,583	2,506	77	
Average short-term credit according to the financial accounting (GAAP) reports	193	330	(137)	112	516	(404)	

Financial data were rounded to NIS millions.

### 21.4 Summary table of the Company's liabilities by maturity date

See Form T-126, which is published simultaneously with the financial statements.

### 21.5 Working capital

Presented below is information on the change in net working capital:

Change in net working capital				
	First nine months		Q3	
	2025	2024	2025	2024
Change in net working capital according to the financial accounting (GAAP) reports	(487)	(113)	(42)	(15)
Change in net working capital according to the management (non-GAAP) reports	(786)	(677)	25	(214)

Financial data were rounded to NIS millions.

### 21.6 Customer and supplier financing arrangements

From time to time, the Group executes non-recourse factoring transactions on accounts receivable, as well as reverse factoring transactions on supplier credit. For further information, see sections 20.1 and 20.2 above and Notes 8.5 and 15.2 to the Consolidated Financial Statements as of December 31, 2024.

## 21.7 Additional information on liquidity and operating cash flow

Presented below is additional financial information on the Company's liquidity (GAAP):

Additional Information			
	As of September 30, 2025	As of September 30, 2024	As of December 31, 2024
Liquidity ratio	1.02	0.85	1.07
Liabilities in respect of long-term loans and credit (including current maturities)	2,581	2,502	2,472
Short-term credit (excluding current maturities)	97	471	340
Supplier credit	1,528	1,451	1,536
Ratio of equity attributable to shareholders of the Company to total assets on the consolidated statement of financial position	36.3%	34.6%	36.6%
Financial debt-to-EBITDA ratio	2.1	2.5	1.7
Equity attributed to the Company's shareholders	3,225	3,074	3,279

Financial data were rounded to NIS millions.

## 22. Disclosure on the examination of warning signs for a working capital deficit in accordance with Regulation 10(b)(14)(a)

In the Company's separate standalone financial statements (the "separate report", the "standalone report" or the "solo report") for Q3 2025, there is a working capital deficit of approximately NIS 705 million. In the Company's Consolidated Financial Statements for Q3 2025, there is a working capital surplus of approximately NIS 54 million. Neither the Consolidated Financial Statements nor the separate report present a protracted negative cash flow from operating activities. In view of the working capital deficit in the solo report, on November 25, 2025, the Company's Board of Directors examined the Company's liquidity as described below and determined that the said working capital deficit is not indicative of a liquidity issue in the Company. This decision is based on a review, inter alia, of the Company's financial results as reported in the Financial Statements of the Company as of September 30, 2025, and is also based on information regarding the Company's projected cash flow for the next two years given the Company's existing and anticipated liabilities, including the Company's liabilities to the debenture-holders (Series E and F) and to banking corporations and their maturity dates, and on an inspection of existing and anticipated sources for the repayment of those liabilities and the resources arising from the Company's holdings in its major investees,

including receipt of dividends, repayment of loans by investees, raising capital from banking corporations and/or other sources if necessary; as well as on the financial strength of the major investees of the Company and their leading competitive position in the markets where they operate. The Board of Directors also reviewed sensitivity analyses of the Company's projected cash flows in the next two years and found that the working capital deficit is not indicative of the Company having a liquidity issue.

It is emphasized that the abovementioned assessment by the Board of Directors is forward-looking information, as defined in the Securities Law, 1968, which is largely based on the Company's forecasts and on its analysis of its cash flows in the period since the end of the year and its future cash flows, its existing and anticipated liabilities, its existing assets, its expectations as to future profits and dividend distributions by investees, etc. There is no certainty that these assessments, in whole or in part, will, in fact, materialize, or that they will not materialize in a different form, including materially, than estimated, among other things due to market behavior and the materialization of the risk factors set forth in section 25 in the Description of the Company's Business Report for 2024.

## 23. Information on the Debenture Series

Presented below is financial information on the debenture series as of September 30, 2025:

Information on the Debenture Series			
		Series E Debentures	Series F Debentures
A	Nominal par value	241	1,486
B	Carrying amount of debentures	241	1,349
C	Carrying amount of interest payable	2	7
D	Market value	238	1,280

Financial data were rounded to NIS millions.

As of September 30, 2025, equity attributable to the Company's shareholders was NIS 3,225 million, the financial debt-to-EBITDA ratio according to the Financial Statements was 2.1, and the equity-to-assets ratio was 36.3%. As of September 30, 2025, the Company is compliant with the required covenants.

## ASPECTS OF CORPORATE GOVERNANCE

### 24. Sustainability, CSR, social investment and donations

The Group's stated objective, **"Nourishing a Better Tomorrow"**, guides it in its work – to leave a positive mark on the world through food, beverages and in other ways, to nourish a better tomorrow where people live longer, live better, live in a society that is inclusive, equal and supportive, in a sustainable environment that will continue to flourish for generations to come. The Group's sustainability focus areas were derived from its values and commitments: To provide better food, better choices, and create a positive, better influence.

#### 2030 Sustainability Strategy

The Group continues to work to achieve its sustainability strategy and publishes an annual ESG report on a dedicated website. The report is written according to GRI and SASB standards. External assurance is being performed this year by a third party according to ISAE 3000 standards, in line with the international audit standard Information, Financial Historical of Reviews or Audits and Other Assurance Engagements. During the reporting period, the Group continued to conduct validation of its 2030 sustainability strategy and targets.

#### Highlights in Q3 2025:

##### Nutrition and a healthy lifestyle

Developing and improving products to create even better products and delivering diverse choices for different communities and dietary needs are part of the Company's nutrition strategy, and the Company is working to advance these initiatives. In Q3 2025, the Group continued to achieve the new nutrition goals for 2025–2030.

##### Managing environmental impacts

In Q3 2025 about 7.6% of the energy at the Company's sites came from renewable sources.

In Q3 the Group also continued to implement the 'upscale' program involving non-hazardous industrial waste. The process includes mapping the potential of all the Group's sites with the aim of meeting the target of reducing waste sent to landfill.

### Corporate social responsibility and community relations

In Q3 2025, the Company continued to promote its social initiatives nationwide, strengthening existing partnerships, developing new initiatives, and deepening engagement with diverse audiences. The Company also continued to support the recovery and rehabilitation of communities adversely impacted by the Swords of Iron war, Company personnel volunteered to refurbish public spaces in the Gaza envelope. Additionally, a special edition of Yad Mordechai honey produced in the Gaza envelope included pictures of hope prepared by children from the area, and profits were allocated to children who lost their parents in the war. The Company also supported families in need and injured IDF veterans in the lead up to the Jewish new year festival period and donated more than 2,200 food baskets. These activities were carried out alongside the promotion of community impact and support programs under the the Company's social strategy to advance equal opportunities for employment and food security.

## **25. Aspects of corporate governance**

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As of the publication date of the report, the Board of Directors comprises ten members who possess different backgrounds and areas of expertise, including three external directors. The Company has not adopted in its articles of association any provision regarding the number of independent directors.

Other than Ms. Ofra Strauss who serves as Executive Chairperson of the Board of Directors and Mr. Shaul Kobrinksy who serves as Deputy Chairperson of the Board of Directors since February 2025, the Company's other directors do not provide the Company with services and are not employed by the Company.

For information on the skills, education, experience and knowledge of the directors of the Company, including with regard to directors who possess accounting and financial expertise, see regulation 26 in the Additional Information on the Corporation Chapter in the 2024 Periodic Report.

## **26. Effectiveness of internal control**

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See the attached report for information on the effectiveness of internal control over financial reporting and disclosure in accordance with Regulation 38C(a) of the Report Regulations.



## 27. Events after the reporting period

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For an overview of events occurring subsequent to the date of the statement of financial position, see Note 9 to the Condensed Consolidated Interim Financial Statements as of September 30, 2025.

**The Board of Directors and management express their gratitude and appreciation to the employees and managers of Strauss Group.**

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Ofra Strauss

Chairperson of the Board  
of Directors

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Shai Babad

President and CEO

November 25, 2025



# Financial Statements

## As of September 30, 2025





**Condensed Consolidated Interim Financial Statements as of September 30, 2025  
(unaudited)**

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Somekh Chaikin  
KPMG Millenium Tower  
17 Haarbaha St., POB 609  
Tel Aviv 6100601

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## **Auditor's review report for the shareholders of Strauss Group Ltd.**

### *Preface*

We have reviewed the attached financial information for Strauss Group Ltd. and its subsidiaries (hereinafter - the "Group"), including the condensed consolidated statement of financial position as of September 30, 2025, as well as the condensed consolidated statements of income, comprehensive income, changes in equity and cash-flows for the nine and three month periods ending on the same date. The board of directors and management are responsible for the preparation and presentation of financial information for this interim period, pursuant to International Accounting Standard IAS 34, "Interim Financial Reporting," and are also responsible for the preparation of financial information for this interim period according to Chapter D of the Securities Regulations (Periodic and Immediate Reports), 1970. Our responsibility is to express a conclusion regarding the financial information for this interim period, based on our review.

We did not review the condensed interim financial information of a company whose assets included in the consolidation comprise approximately 2.9% of the total consolidated assets as of September 30, 2025, and whose revenues included in the consolidation comprise approximately 7.4% and 8.6% of all the consolidated revenues for the nine and three month periods ended that same date. The condensed interim financial information of that company were audited by other auditors, whose review reports have been furnished to us, and our conclusion, insofar as it relates to amounts included for that company, is based on the review reports of the other auditors.

### *Scope of the Review*

We conducted our review in accordance with Review Standard (Israel) no. 2410 of the Israel Institute of Certified Public Accountants - "Review of Interim Financial Information Prepared by the Entity's Auditor". A review of interim financial information includes making inquiries, particularly with the people responsible for financial and accounting matters, and performing analytical and other review procedures. A review is significantly limited in scope relative to an audit conducted in accordance with generally accepted auditing standards in Israel, and therefore does not allow us to reach a level of assurance that we have learned of all material issues which may have been identified in an audit. We are therefore not expressing an audit opinion.

### *Conclusion*

Based on our review and the review reports of other auditors, nothing has come to our attention which would lead us to believe that the above financial information was not prepared, in all material respects, in accordance with IAS 34.

In addition to that set forth in the preceding paragraph, based on our review and the review reports of other auditors, nothing has come to our attention which would lead us to believe that the above financial information does not fulfill, in all material respects, the disclosure requirements set forth in Section D of the Securities Regulations (Periodic and Immediate Reports), 1970.

Somekh Chaikin  
Auditors

November 25, 2025



**Condensed consolidated interim statements of financial position**

	September 30 2025	September 30 2024	December 31 2024
	Unaudited	Unaudited	Audited
	NIS millions		
<b>Current Assets</b>			
Cash and cash equivalents	329	422	1,142
Trade receivables	1,374	1,218	1,087
Income tax	22	18	22
Accounts receivable and debit balances	223	241	329
Inventory	1,192	970	1,002
Assets held for sale	-	25	-
<b>Total current assets</b>	<b>3,140</b>	<b>2,894</b>	<b>3,582</b>
<b>Investments and non-current assets</b>			
Investment in equity-accounted investees	1,678	1,918	1,468
Other investments and long-term receivables	151	193	61
Fixed assets	2,497	2,304	2,348
Right-of-use assets	298	421	394
Intangible assets	1,093	1,101	1,065
Investment property	4	5	5
Deferred tax assets	25	39	36
<b>Total investments and non-current assets</b>	<b>5,746</b>	<b>5,981</b>	<b>5,377</b>
<b>Total assets</b>	<b>8,886</b>	<b>8,875</b>	<b>8,959</b>

Ofra Strauss

Chairperson of the Board of  
Directors

Shai Babad

President and CEO

Tobi Fischbein

CFO

November 25, 2025

Financial statements approval  
date

The notes to the interim consolidated financial statements constitute an integral part thereof.



**Condensed consolidated interim statements of financial position (Cont'd)**

	September 30 2025	September 30 2024	December 31 2024
	Unaudited	Unaudited	Audited
	NIS millions		
<b>Current Liabilities</b>			
Current maturities of debentures	203	174	174
Short-term credit and current maturities of long-term loans and other long-term liabilities	338	800	671
Current maturities of lease liabilities	89	111	102
Trade payables	1,528	1,451	1,536
Income tax	175	109	104
Other accounts payable	726	748	718
Provisions	27	28	30
<b>Total current liabilities</b>	<b>3,086</b>	<b>3,421</b>	<b>3,335</b>
<b>Non-current liabilities</b>			
Debentures	1,387	1,152	1,154
Long-term loans and other long-term liabilities	437	411	402
Lease liabilities	224	325	309
Long-term payables and credit balances	26	42	26
Employee benefits, net	29	27	27
Deferred tax liabilities	124	123	110
<b>Total non-current liabilities</b>	<b>2,227</b>	<b>2,080</b>	<b>2,028</b>
<b>Equity and reserves</b>			
Share capital	253	253	253
Share premium	1,051	1,051	1,051
Reserves	(2,179)	(1,996)	(2,192)
Retained earnings	4,100	3,766	4,167
<b>Total equity attributable to shareholders of the</b>	<b>3,225</b>	<b>3,074</b>	<b>3,279</b>
<b>Non-controlling interests</b>	<b>348</b>	<b>300</b>	<b>317</b>
<b>Total equity</b>	<b>3,573</b>	<b>3,374</b>	<b>3,596</b>
<b>Total liabilities and equity</b>	<b>8,886</b>	<b>8,875</b>	<b>8,959</b>

The notes to the interim consolidated financial statements constitute an integral part thereof.



**Condensed consolidated interim statements of comprehensive income**

	For the nine-month period ended		For the three-month period ended		For the year ended
	Sep. 30 2025	Sep. 30 2024	Sep. 30 2025	Sep. 30 2024	Dec. 31 2024
	Unaudited		Unaudited		Audited
	NIS millions				
Sales	5,816	5,300	2,054	1,873	7,089
Cost of sales	3,974	3,499	1,407	1,220	4,701
<b>Gross profit</b>	1,842	1,801	647	653	2,388
Selling and marketing expenses	1,026	1,060	349	360	1,401
General and administrative expenses	385	382	135	127	501
	1,411	1,442	484	487	1,902
Share of loss of equity-accounted incubator investees	(23)	(18)	(5)	(8)	(33)
<b>Operating profit before other income (expenses)</b>	641	484	268	216	632
Other income	7	7	1	-	535
Other expenses	(31)	(89)	(21)	(19)	(131)
Other income (expenses), net	(24)	(82)	(20)	(19)	404
<b>Operating profit</b>	617	402	248	197	1,036
Financing income	19	45	4	5	42
Financing expenses	(148)	(118)	(56)	(45)	(162)
Financing expenses, net	(129)	(73)	(52)	(40)	(120)
<b>Profit before taxes on income</b>	488	329	196	157	916
Income tax expenses	(136)	(36)	(46)	(36)	(205)
<b>Profit for the period</b>	352	293	150	121	711
<b>Attributed to:</b>					
Shareholders of the Company	277	232	127	99	624
Non-controlling interests	75	61	23	22	87
<b>Profit for the period</b>	352	293	150	121	711
<b>Earnings per share</b>					
Basic earnings per share (in NIS)	2.38	1.99	1.09	0.85	5.35
Diluted earnings per share (in NIS)	2.37	1.99	1.09	0.85	5.35

The notes to the interim consolidated financial statements constitute an integral part thereof.



**Condensed consolidated interim statements of comprehensive income**

	For the nine-month period ended		For the three-month period ended		For the year ended
	Sep. 30 2025	Sep. 30 2024	Sep. 30 2025	Sep. 30 2024	Dec. 31 2024
	Unaudited		Unaudited		Audited
	NIS millions				
Profit for the period	352	293	150	121	711
<b>Other comprehensive income (loss) items reclassified to profit or loss in subsequent periods:</b>					
Foreign currency translation differences	17	16	(35)	(4)	(55)
Foreign currency translation differences recognized in profit or loss	-	90	-	-	128
Other comprehensive income (loss) from equity-accounted investees	(4)	(50)	3	9	(214)
<b>Total other comprehensive income (loss) items for the period that will be reclassified to profit or loss in subsequent periods, net</b>	13	56	(32)	5	(141)
<b>Other comprehensive income items not reclassified to profit or loss in subsequent periods, net:</b>					
Changes in employee benefits, net	-	-	-	-	1
<b>Total other comprehensive income (loss) items not reclassified to profit or loss in subsequent periods, net</b>	-	-	-	-	1
<b>Comprehensive income for the period</b>	365	349	118	126	571
<b>Attributed to:</b>					
Shareholders of the Company	290	287	95	103	484
Non-controlling interests	75	62	23	23	87
<b>Comprehensive income for the period</b>	365	349	118	126	571

The notes to the interim consolidated financial statements constitute an integral part thereof.

**Condensed consolidated interim statements of changes in equity**

	Attributable to shareholders of the Company								
	Share capital	Share premium	Treasury stock	Reserve for transactions with non-controlling interests	Translation reserve	Retained earnings	Total	Non-controlling interests	Total equity
	NIS millions								
Nine-month period ended September 30, 2025 – unaudited:									
Balance as of January 1, 2025	253	1,051	(20)	(430)	(1,742)	4,167	3,279	317	3,596
Total comprehensive income for the period									
Profit for the period	-	-	-	-	-	277	277	75	352
Components of other comprehensive income (loss):									
Foreign currency translation differences	-	-	-	-	17	-	17	-	17
Other comprehensive loss from equity-accounted investees	-	-	-	-	(4)	-	(4)	-	(4)
Total other comprehensive income for the period, net	-	-	-	-	13	-	13	-	13
Total comprehensive income for the period	-	-	-	-	13	277	290	75	365
Share-based payments	-	-	-	-	-	16	16	-	16
Transaction with non-controlling interests	-	-	-	-	-	-	-	1	1
Dividend to Company shareholders	-	-	-	-	-	(360)	(360)	-	(360)
Dividend to non-controlling interests in subsidiaries	-	-	-	-	-	-	-	(45)	(45)
Balance as of September 30, 2025	253	1,051	(20)	(430)	(1,729)	4,100	3,225	348	3,573

The notes to the condensed interim consolidated financial statements constitute an integral part thereof.



**Condensed statements of changes in equity (Cont'd)**

	Attributable to shareholders of the Company								
	Share capital	Share premium	Treasury stock	Reserve for transactions with non-controlling interests	Translation reserve	Retained earnings	Total	Non-controlling interests	Total equity
	NIS millions								
Nine-month period ended September 30, 2024 – unaudited:									
Balance as of January 1, 2024	253	1,051	(20)	(430)	(1,601)	3,784	3,037	278	3,315
Total comprehensive income for the period									
Profit for the period	-	-	-	-	-	232	232	61	293
Components of other comprehensive income (loss):									
Foreign currency translation differences	-	-	-	-	15	-	15	1	16
Foreign currency translation differences recognized in profit and loss	-	-	-	-	90	-	90	-	90
Other comprehensive loss from equity-accounted investees	-	-	-	-	(50)	-	(50)	-	(50)
Total other comprehensive income for the period, net	-	-	-	-	55	-	55	1	56
Total comprehensive income for the period	-	-	-	-	55	232	287	62	349
Share-based payments	-	-	-	-	-	20	20	-	20
Dividend to Company shareholders	-	-	-	-	-	(270)	(270)	-	(270)
Transaction with non-controlling interests	-	-	-	-	-	-	-	1	1
Dividend to non-controlling interests in subsidiaries	-	-	-	-	-	-	-	(41)	(41)
Balance as of September 30, 2024	253	1,051	(20)	(430)	(1,546)	3,766	3,074	300	3,374

The notes to the condensed interim consolidated financial statements constitute an integral part thereof.





**Condensed statements of changes in equity (Cont'd)**

	Attributable to shareholders of the Company								
	Share capital	Share premium	Treasury stock	Reserve for transactions with non-controlling interests	Translation reserve	Retained earnings	Total	Non-controlling interests	Total equity
NIS millions									
Three-month period ended September 30, 2025 – unaudited:									
Balance as of July 1, 2025	253	1,051	(20)	(430)	(1,697)	3,968	3,125	324	3,449
Total comprehensive income (loss) for the period									
Profit for the period	-	-	-	-	-	127	127	23	150
Components of other comprehensive income (loss):									
Foreign currency translation differences	-	-	-	-	(35)	-	(35)	-	(35)
Other comprehensive income from equity-accounted	-	-	-	-	3	-	3	-	3
Total other comprehensive loss for the period, net	-	-	-	-	(32)	-	(32)	-	(32)
Total comprehensive income (loss) for the period	-	-	-	-	(32)	127	95	23	118
Share-based payments	-	-	-	-	-	5	5	-	5
Transaction with non-controlling interests	-	-	-	-	-	-	-	1	1
Balance as of September 30, 2025	253	1,051	(20)	(430)	(1,729)	4,100	3,225	348	3,573

The notes to the condensed interim consolidated financial statements constitute an integral part thereof.



**Condensed statements of changes in equity (Cont'd)**

	Attributable to shareholders of the Company								
	Share capital	Share premium	Treasury stock	Reserve for transactions with non-controlling interests	Translation reserve	Retained earnings	Total	Non-controlling interests	Total equity
	NIS millions								
Three-month period ended September 30, 2024 – unaudited:									
Balance as of July 1, 2024	253	1,051	(20)	(430)	(1,550)	3,660	2,964	280	3,244
Total comprehensive income for the period									
Profit for the period	-	-	-	-	-	99	99	22	121
Components of other comprehensive income (loss):									
Foreign currency translation differentials	-	-	-	-	(5)	-	(5)	1	(4)
Other comprehensive income from equity-accounted	-	-	-	-	9	-	9	-	9
Total other comprehensive income for the period, net	-	-	-	-	4	-	4	1	5
Total comprehensive income for the period	-	-	-	-	4	99	103	23	126
Share-based payments	-	-	-	-	-	7	7	-	7
Transaction with non-controlling interests	-	-	-	-	-	-	-	1	1
Dividend to non-controlling interests in subsidiaries	-	-	-	-	-	-	-	(4)	(4)
Balance as of September 30, 2024	253	1,051	(20)	(430)	(1,546)	3,766	3,074	300	3,374

The notes to the condensed interim consolidated financial statements constitute an integral part thereof.

**Condensed statements of changes in equity (Cont'd)**

	Attributable to shareholders of the Company								
	Share capital	Share premium	Treasury stock	Reserve for transactions with non-controlling interests	Translation reserve	Retained earnings	Total	Non-controlling interests	Total equity
	NIS millions								
For the year ended December 31, 2024 - audited:									
Balance as of January 1, 2024	253	1,051	(20)	(430)	(1,601)	3,784	3,037	278	3,315
Total comprehensive income (loss) for the year									
Income for the year	-	-	-	-	-	624	624	87	711
Components of other comprehensive income (loss):									
Foreign currency translation differentials	-	-	-	-	(55)	-	(55)	-	(55)
Foreign currency translation differences recognized in profit or loss	-	-	-	-	128	-	128	-	128
Other comprehensive loss from equity-accounted investees	-	-	-	-	(214)	-	(214)	-	(214)
Changes in employee benefits, net	-	-	-	-	-	1	1	-	1
Total other comprehensive income (loss) for the year, net	-	-	-	-	(141)	1	(140)	-	(140)
Total comprehensive income (loss) for the year	-	-	-	-	(141)	625	484	87	571
Share-based payments	-	-	-	-	-	28	28	-	28
Dividends distributed	-	-	-	-	-	(270)	(270)	-	(270)
Transactions with non-controlling interests	-	-	-	-	-	-	-	2	2
Dividend to non-controlling interests in subsidiaries	-	-	-	-	-	-	-	(50)	(50)
Balance as of December 31, 2024	253	1,051	(20)	(430)	(1,742)	4,167	3,279	317	3,596

The notes to the condensed interim consolidated financial statements constitute an integral part thereof.



## Condensed consolidated interim statements of cash-flows

	For the nine-month period ended		For the three-month period ended		For the year ended
	Sep. 30 2025	Sep. 30 2024	Sep. 30 2025	Sep. 30 2024	Dec. 31 2024
	Unaudited		Unaudited		Audited
	NIS millions				
Cash flows from operating activities					
Profit for the period	352	293	150	121	711
Adjustments:					
Depreciation	210	218	69	70	289
Amortization of intangible assets and deferred expenses	54	52	19	18	61
Impairment of intangible assets and assets held for sale	16	13	14	2	22
Capital loss (gain), net, on sale of fixed assets, a subsidiary, business of a subsidiary and an equity-accounted investee	(2)	26	-	-	(495)
Expenses for share-based payments	16	20	5	7	28
Financing expenses, net	129	73	52	40	120
Income tax expenses	136	36	46	36	205
Share of income of equity-accounted investees	(210)	(125)	(105)	(50)	(146)
Change in inventory	(181)	(175)	22	(67)	(235)
Change in trade and other receivables	(210)	(258)	(78)	(42)	(195)
Change in long-term receivables	(89)	(2)	(22)	(1)	(25)
Change in trade and other payables	(8)	322	35	94	448
Change in employee benefits	1	-	1	1	2
Interest paid	(94)	(88)	(23)	(30)	(132)
Interest received	17	18	3	9	25
Income tax paid, net	(45)	(84)	(23)	(28)	(123)
Net cash deriving from operating activities	92	339	165	180	560
Cash flows from investment activities					
Proceeds from sale of fixed assets and intangible assets	2	5	1	-	3
Investment in fixed assets and investment property	(277)	(281)	(78)	(103)	(403)
Investment in intangible assets	(81)	(97)	(25)	(29)	(143)
Proceeds from sale of investments	3	9	1	-	-
Proceeds from sale of a subsidiary, net of cash disposed	-	137	-	-	137
Proceeds from sale of business by subsidiary	1	22	-	22	22
Repayment of deposits and loans granted	85	30	10	8	149
Repayment (grant) of short-term loans, net	2	-	3	-	-
Proceeds from sale of investments in equity-accounted investees	-	-	-	-	849
Grant of long-term loans and deposits	(71)	(139)	(16)	(11)	(191)
Taxes paid on sale of investments in investees accounted for using the equity method	-	-	-	-	(162)
Dividends from investees	-	29	-	29	118
Investment in investee companies	(8)	(130)	(1)	-	(131)
Net cash derived from (used in) investing activities	(344)	(415)	(105)	(84)	248

The notes to the interim consolidated financial statements constitute an integral part thereof.



**Condensed consolidated interim statements of cash-flows (Cont'd)**

	For the nine-month period ended		For the three-month period ended		For the year ended
	Sep. 30 2025	Sep. 30 2024	Sep. 30 2025	Sep. 30 2024	Dec. 31 2024
	Unaudited		Unaudited		Audited
	NIS millions				
<b>Cash flows from financing activities</b>					
Short-term bank credit, net	(242)	471	(63)	(69)	343
Proceeds from issuance of debentures, net of issuance costs	461	-	-	-	-
Receipt of long-term loans	105	120	-	15	124
Redemption of debentures and repayment of long-term loans	(377)	(238)	(28)	(28)	(242)
Proceeds from the issuance of capital notes from non-controlling interests	3	5	3	2	8
Change in liabilities in respect of credit card factoring	10	13	10	12	18
Principal payments of lease liability	(81)	(86)	(26)	(28)	(114)
Dividends paid	(360)	(270)	-	-	(270)
Dividends paid to non-controlling interests in a subsidiary	(45)	(41)	(1)	(4)	(50)
<b>Net cash used for financing activities</b>	<b>(526)</b>	<b>(26)</b>	<b>(105)</b>	<b>(100)</b>	<b>(183)</b>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>(778)</b>	<b>(102)</b>	<b>(45)</b>	<b>(4)</b>	<b>625</b>
Cash and cash equivalents at beginning of period	1,142	517	379	427	517
Effect of exchange rate volatility on cash balances	(35)	7	(5)	(1)	-
<b>Cash and cash equivalents at end of period</b>	<b>329</b>	<b>422</b>	<b>329</b>	<b>422</b>	<b>1,142</b>

The notes to the interim consolidated financial statements constitute an integral part thereof.

## **Note 1 - Reporting Rules and Policies**

### **1.1 General**

- 1.1.1 The reporting entity, Strauss Group Ltd. (the “**Company**” or “**Strauss Group**”) is an Israeli resident company, address: 49 Hasivim St. Petach Tikva.

The Company and its investee companies (the “**Group**”) are a group of industrial and commercial companies operating in Israel and in other countries, engaged mainly in the development, manufacture, marketing and sale of a variety of branded food and beverage products. The Group is also active in the development, marketing, servicing and sale of water filtration, carbonation and purification products for home and office use.

Strauss Holdings Ltd. (“**Strauss Holdings**”) is the direct controlling shareholder of the Company (approximately 50.98% of the Company’s equity and voting rights as of the approval date of the financial statements). The controlling shareholder of Strauss Holdings is Michael Strauss’s Assets Ltd. (“**Michael’s Assets**”) (which holds 100% of Strauss Holdings’ equity and voting rights).

Ms. Ofra Strauss, Ms. Irit Strauss and Mr. Adi Strauss hold the shares of Michael’s Assets (jointly, approximately 94.6% of the right to dividends and 100% of the voting rights in Michael’s Assets), granting them control of Michael’s Assets and, indirectly, control of the Company. The above three members of the Strauss family have an agreement to jointly act *vis-a-vis* Michael’s Assets, by virtue of which they are deemed to jointly hold Michael’s Assets.

In light of the foregoing, Ms. Ofra Strauss, Ms. Irit Strauss and Mr. Adi Strauss are the controlling shareholders of the Company.

- 1.1.2 The interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, “Interim Financial Reporting,” and in accordance with the directives under Chapter D of the Securities Regulations (Periodic and Immediate Reports), 1970.

These reports should be read in conjunction with the audited consolidated financial statements of the Company and its consolidated companies as of December 31, 2024, and for the year ended on the same date and their accompanying notes (the “**Annual Financial Statements**”).

The Group’s accounting policy in these interim financial statements was applied consistently as in the Annual Financial Statements.

- 1.1.3 The consolidated interim financial statements are presented in NIS, which is the functional currency of the Company. The financial information is presented in NIS millions and has been rounded to the nearest million.
- 1.1.4 The consolidated interim financial statements were approved for publication by the Board of Directors of the Group on November 25, 2025.

## **Note 2 - Seasonality**

There is no distinct seasonality trend for Health & Wellness products. However, revenues are generally relatively higher in Q3 during the hot summer months, which are characterized by greater consumption of dairy products.

In the Fun & Indulgence (Snacks and Confectionery segment, sales in the confectionery category are affected by seasonality and are generally higher (comparatively) in the first third of the year, and lower (comparatively) in the second third of the year. Seasonality is mainly affected by the winter months, which fall in Q1 and are marked by greater consumption of chocolate products as well as by increased consumption of Fun & Indulgence products with the approach of Purim and Passover. Sales in the salty snack category are affected by seasonality and are generally higher (comparatively) in the summer months and during holiday seasons.

In the Fun & Indulgence Israel Coffee segment, there is no distinct trend of seasonality. However, revenues are generally relatively higher in the Q1, due to increased purchases of coffee products prior to Passover.

In the International Coffee segment, seasonality is mainly affected by the Christian holidays and the end of the calendar year in Q4, a period characterized by increased purchases of coffee products. By contrast, Q1 is mostly characterized by relatively low sales after consumers, as mentioned, have stocked up on products for the holiday season in Q4.

In the Strauss Water segment, sales of water bars are generally higher in the summer months (April-October) compared to the rest of the year, with a corresponding increase in revenue from service in Q4.

Notes to the condensed consolidated interim financial statements (unaudited)

**Note 3 - Operating Segments**

Information according to operating segments and reconciliation of segment operating data to the consolidated financial statements:

	For the nine-month period ended		For the three-month period ended		For the year ended
	Sep. 30 2025	Sep. 30 2024	Sep. 30 2025	Sep. 30 2024	Dec. 31 2024
	Unaudited		Unaudited		Audited
			NIS millions		
<b>Income</b>					
Sales to external customers:					
Health & Wellness	2,369	2,312	821	827	3,076
Fun & Indulgence (Snacks and Confectionery)	1,060	955	365	323	1,264
Fun & Indulgence (Israel Coffee)	693	625	221	221	830
<b>Total Israel</b>	<u>4,122</u>	<u>3,892</u>	<u>1,407</u>	<u>1,371</u>	<u>5,170</u>
International Coffee	<u>4,560</u>	<u>3,418</u>	<u>1,636</u>	<u>1,259</u>	<u>4,705</u>
Water	<u>658</u>	<u>627</u>	<u>234</u>	<u>224</u>	<u>848</u>
Other	<u>-</u>	<u>397</u>	<u>-</u>	<u>137</u>	<u>483</u>
Sales to other segments:					
Health & Wellness	6	7	4	2	9
Fun & Indulgence (Snacks and Confectionery)	3	4	2	-	6
Fun & Indulgence (Israel Coffee)	1	2	-	1	2
<b>Total Israel</b>	<u>10</u>	<u>13</u>	<u>6</u>	<u>3</u>	<u>17</u>
International Coffee	<u>4</u>	<u>1</u>	<u>3</u>	<u>-</u>	<u>2</u>
Total segment income	<u>9,354</u>	<u>8,348</u>	<u>3,286</u>	<u>2,994</u>	<u>11,225</u>
Elimination of intersegment sales	<u>(14)</u>	<u>(14)</u>	<u>(9)</u>	<u>(3)</u>	<u>(19)</u>
Total segment income excluding intersegment sales	9,340	8,334	3,277	2,991	11,206
Adjustment to the equity method	<u>(3,524)</u>	<u>(3,034)</u>	<u>(1,223)</u>	<u>(1,118)</u>	<u>(4,117)</u>
Total consolidated income	<u>5,816</u>	<u>5,300</u>	<u>2,054</u>	<u>1,873</u>	<u>7,089</u>



Notes to the condensed consolidated interim financial statements (unaudited)

Note 3 - Operating Segments (Cont'd)

	For the nine-month period ended		For the three-month period ended		For the year ended
	Sep. 30 2025	Sep. 30 2024	Sep. 30 2025	Sep. 30 2024	Dec. 31 2024
	Unaudited		Unaudited		Audited
			NIS millions		
<b>Operating profit (loss)</b>					
Health & Wellness	302	286	101	120	389
Fun & Indulgence (Snacks and Confectionery)	-	39	15	9	44
Fun & Indulgence (Israel Coffee)	92	83	30	29	95
<b>Total Israel</b>	<u>394</u>	<u>408</u>	<u>146</u>	<u>158</u>	<u>528</u>
International Coffee	<u>320</u>	<u>167</u>	<u>163</u>	<u>68</u>	<u>214</u>
Water	<u>75</u>	<u>75</u>	<u>23</u>	<u>26</u>	<u>115</u>
Other	<u>(51)</u>	<u>(72)</u>	<u>(20)</u>	<u>(29)</u>	<u>(105)</u>
<b>Total segment profit</b>	<u>738</u>	<u>578</u>	<u>312</u>	<u>223</u>	<u>752</u>
Unallocated income (expenses):					
Adjustments for commodity hedges <sup>(1)</sup>	13	(41)	7	25	(35)
Other income (expenses), net	(16)	(69)	(20)	(19)	407
Share-based payments	<u>(16)</u>	<u>(20)</u>	<u>(5)</u>	<u>(7)</u>	<u>(28)</u>
Total segment operating profit	719	448	294	222	1,096
Adjustment to the equity method	<u>(102)</u>	<u>(46)</u>	<u>(46)</u>	<u>(25)</u>	<u>(60)</u>
Total consolidated operating profit	617	402	248	197	1,036
Financing expenses, net	<u>(129)</u>	<u>(73)</u>	<u>(52)</u>	<u>(40)</u>	<u>(120)</u>
Profit before taxes on income	<u>488</u>	<u>329</u>	<u>196</u>	<u>157</u>	<u>916</u>

- <sup>(1)</sup> Reflects mark-to-market as of period end of open positions in the Group in respect of financial derivatives used to economically hedge commodity prices, and all adjustments necessary to delay recognition of gains or losses arising from commodity derivatives until the date when the inventory is sold to outside parties and/or until the financial derivative instrument is exercised.

Notes to the condensed consolidated interim financial statements (unaudited)

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## NOTE 4 - Events During the Reporting Period

- 4.1 On February 17, 2025, the Company's Board of Directors approved the payment of a dividend to shareholders of NIS 200 million (approximately NIS 1.72 per share), which was paid on March 4, 2025.
- 4.2 On March 24, 2025, the Company's Board of directors approved a dividend distribution to shareholders at an amount of NIS 160 million (approximately NIS 1.37 per share), which was paid on April 10, 2025.
- 4.3 On March 27, 2025, the Company's General Meeting, following the approval of the Company's Remuneration Committee and Board of Directors on February 18, 2025, approved a one-off bonus for the Company's CEO, totaling NIS 2 million, in deviation of the Company's Remuneration Policy, for the significant contribution towards the success of the Sabra transaction.
- 4.4 Three short-term loans totaling NIS 300 million, taken from various banks in April 2024, were repaid in February 2025. Similarly, in June 2025, one of the Company's subsidiaries refinanced a loan by repaying a loan for EUR 25 million while taking a loan for EUR 25 million (approximately NIS 100 million). Furthermore, in June and July 2025, unsecured credit facilities totaling NIS 300 million were repaid, with secured credit facilities totaling NIS 200 million concurrently being renewed for the Company's ongoing activity.
- 4.5 As of the approval date of the financial statements, the hostilities between Russia and Ukraine are ongoing, so too with respect to the economic sanctions imposed on Russia by the West. Since the outbreak of the war, the Group has taken steps to ensure that its business in Russia will be managed as a stand-alone business to the greatest extent possible. In Ukraine, the Group's business has operated continuously. As of the approval date of the financial statements, the Russia-Ukraine war has not had a material impact on the Group's operating results. Considering the evolving nature of the events and the ensuing high degree of uncertainty, potential geopolitical scenarios may materialize, which could lead to further negative economic and financial consequences. The Group is continuously monitoring the development of events in Ukraine, Russia and the markets, however, as of the approval date of the financial statements, it is unable to assess their future impact on its business results. For further information, see Note 6.3 to the Annual Financial Statements.
- 4.6 The "Swords of Iron" war (the "**war**") broke out on October 7, 2023, and in June 2025 Israel initiated operation "Rising Lion" (the "**operation**") which protracted for approximately 12 days. During and subsequent to the reporting period, the State of Israel was in various states of war with varying levels of intensity. A ceasefire agreement was entered into in October 2025 to end the fighting. During the reporting period and as of the approval date of these financial statements, the Company has been operating business as usual, and the war (as well as the operation) did not have a material impact on the Group's activity and financial results. During the relevant periods, the Company acted to find solutions and to make adjustments as far as necessary to maintain business continuity. However, given the uncertainty surrounding geopolitical developments in the Middle East, the future impact of potential geopolitical situations on the Group's business cannot presently be assessed. For further information, see Note 1.1.1 to the Annual Financial Statements.
- 4.7 Further to that stated in Note 22.1.1 of the Annual Financial Statements, in February 2025, the Group entered into an agreement with a third-party to sell the activity of the Elite Café chain for an amount immaterial for the Group. In March 2025 the conditions precedent were satisfied and the transaction closed in June 2025. The assets and liabilities of the business activity were accordingly de-recognized from the statement of financial position.

#### **NOTE 4 - Events During the Reporting Period (Cont'd)**

- 4.8** An annual test for goodwill impairment as of September 30, 2025 was performed in the cash-generating unit Strauss Coffee Germany. The recoverable amount of the cash-generating unit, which is based on the unit's value in use, was calculated by discounting future cash flows at a real pre-tax discount rate of 8% (on September 30, 2024 - 8.8%), assuming a long-term growth rate of 0% (on September 30, 2024 - 0%). As a result, the Company recognized an impairment loss associated with the goodwill of the cash-generating unit at an amount of approximately NIS 15.2 million, which was included under other expenses in the income statement.

**Notes to the condensed consolidated interim financial statements (unaudited)**

**Note 5 - Share-Based Payment**

**5.1 Grants in the reporting period**

Presented below is information on the fair value of new warrants granted to employees in the reporting period:

		Fair value	Share price	Exercise price	Expected life	Annual standard deviation	Discount rate
Grant date	No. of warrants Entitled employees	NIS millions	NIS	NIS	Years	%	%
January 28, 2025	129,000 to 4 managers	2	71.12	74.82	3.65-4.65	24.14-23.42	4.25-4.26
May 27, 2025	109,804 to 1 manager	2.5	87.37	89	3.65-4.65	24.82-23.45	4.29-4.33

The employees' entitlement to exercise the warrants will vest in two equal tranches in each of the years 2027-2028. The benefit arising from these grants will be classified as an expense in the financial statements over the abovementioned vesting periods.

The fair value of the employee warrants is measured using the Black & Scholes model. For further information about the assumptions underlying the model, see Note 20.2 to the Annual Financial Statements.

**5.2 Warrants exercised in the reporting period**

In the reporting period, 1,258,175 warrants granted to employees were exercised for 99,595 shares in consideration for their par value.

**Notes to the condensed consolidated interim financial statements (unaudited)**

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**Note 6 - Contingent Liabilities**

- 6.1 For information on claims pending against the Company and its investees (the “**Group**”) and contingent liabilities as of December 31, 2024, see Note 21.1 to the Annual Financial Statements. With respect to these claims, no material changes occurred during the reporting period, other than as stated below.
- 6.2 Further to that stated in Note 21.1.1 to the Annual Financial Statements regarding a legal action against the Group pertaining to consumer deception regarding the weight of “Reva L’Sheva” products for NIS 53 million in pecuniary damages, and NIS 5 in non-pecuniary damages for every consumer who bought products from the range the subject of the claim, an adjudication was held on May 15, 2025, and on June 30, 2025, a judgment was awarded approving the withdrawal agreement. The agreement includes the Group making a donation to NGOs engaged in distributing food to the needy, a payment to the plaintiff and paying plaintiff’s legal costs, all in amounts immaterial for the Group.
- 6.3 Further to that stated in Note 21.1.3 to the Annual Financial Statements, regarding class actions filed against the Group in respect of harm allegedly caused to the consumer public, associated with positive findings of salmonella on some of the production lines in the Group’s plant in Nof Hagalil and in some of the products in the plant (the “**recall**”), notice was given on September 9, 2025, that the plaintiffs are demanding damages totaling approximately NIS 35 million less compensation paid to consumers subsequent to the recall being announced totaling approximately NIS 15 million. The mediators proposed appointing an expert on their behalf to value the inventory, however the proposal was rejected by both the plaintiffs as well as the Group.
- 6.4 Further to that stated in Note 21.1.4 to the Annual Financial Statements regarding the submission of six motions for discovery and production of documents under section 198A of the Companies Law, 1999, to the Economic Division of the District Court of Tel Aviv-Yafo (the “**court**”) for the purpose of examining the possibility of submitting a motion to bring a derivative action against officers and senior parties of the Group, and further to the decision by the Company’s Board of Directors in August 2022 to establish an independent claims committee (the “**Committee**”), and the Board of Directors’ decision in November 2024 to adopt the findings, conclusions and recommendations on the issue, including the proposed settlement arrangement as submitted to the court in February 2025, on October 21, 2025, the Attorney General submitted her position on the motion to approve the settlement agreement (following the submission of multiple applications for extensions). Among other things, it was claimed in the position that the legal analysis underlying the Committee’s conclusions should be independently examined by the court and that the business judgment rule should not be applied to the Board’s decision to adopt the Committee’s conclusions. It was further claimed that an order should be made to publish the Committee’s report and to allow for additional time for the submission of objections to the motion to approve the settlement agreement following the publication of the report. On October 22, 2025, a hearing was held in court on the motion to approve the settlement arrangement. At the hearing the representatives of the Attorney General repeated the main points of its position.

**Notes to the condensed consolidated interim financial statements (unaudited)**

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**Note 6 - Contingent Liabilities (Cont.)**

The Company's legal advisors, the Applicant and the senior officers opposed the Attorney General's comments regarding the need for the court to examine the Committee's conclusions and to not apply the business judgment rule to the Board's decision to adopt the Committee's conclusions. On the other hand, the Company's legal advisors, the Applicant and the senior officers agreed that the Committee's report should be publicly available, but opposed extending the deadline for objections. At the end of the hearing the court stated that the proceedings are ready for a determination and that a judgment will subsequently be issued.

- 6.5 Further to that stated in Note 21.1.5 to the Annual Financial Statements regarding a determination made by the Commissioner of the Competition Authority of a breach pursuant to section 19 of the Economic Competition Law, 1988 (the "**Economic Competition Law**") and the imposition of a financial penalty on the Group totaling approximately NIS 111 million, and the imposition of a financial penalty on its former office holders, on November 19, 2024, the Commissioner agreed to the Group's request to split the payment of the financial penalty into ten equal monthly installments as provided in section 50J(b) of the Economic Competition Law, including two which were paid in Q4 2024. In the nine-month period ended September 30, 2025, eight additional installments were paid totaling NIS 11 million each for the financial penalty. The Group submitted an appeal on the determination on January 23, 2025. The Competition Authority submitted its response to the appeals on May 12, 2025. On June 26, 2025, the Group made a written application to the Commissioner requesting to receive certain documents and details which it believes are necessary for it to prepare its reply to the Commissioner's response to the appeal (the "**reply**"). On September 10, 2025, the Commissioner responded that all information which is subject to a right of review has been sent to the Company subject to restrictions under applicable law. Further to the Company's application for a postponement, agreed upon by the Commissioner, it was established that the Company's reply is to be submitted by November 23, 2025. The Group submitted its reply on November 23, 2025. It should be clarified that the Group disputes the Commissioner's position and is of the opinion that its actions as far as the arguments made against the Group were legal. The Group's legal counsel assess that the likelihood is greater that the appeal, which asserts that the Group did not breach the law, will be granted than of it being rejected.
- 6.6 Further to that stated in Note 21.1.6 to the Annual Financial Statements regarding two motions for the discovery of documents prior to bringing a derivative action under section 198A of the Companies Law, 1999 (jointly: the "**motions for discovery**"), in which the court was requested to direct the Group to disclose documents related to the ruling by the Competition Authority to impose a financial penalty on the Group and officers of the Company at an amount of approximately NIS 111 million for the alleged violation of section 19 of the Economic Competition Law, 1988. On April 7, 2025, the Group filed a motion to stay the proceedings due to an appeal it had submitted on the financial penalty to the Competition Tribunal. A hearing on the motion to stay was held on June 30, 2025, at which the court ruled with the parties' consent that the hearing of one of the motions will be stayed at this stage. The Group is to submit an update on the matter by January 1, 2026.

## **Note 6 - Contingent Liabilities (Cont.)**

- 6.7 Further to that stated in Note 21.1.7 to the Annual Financial Statements, on April 3, 2025, the Group and former senior office holders received notices from the Competition Authority regarding the closing of an investigation against the Group and the former senior office holders regarding a suspicion of crimes under the Economic Competition Law, 1988 (suspicions of an attempted restrictive trade arrangement through a public announcement in the Group's Q1 2021 quarterly report).
- 6.8 The Group did not recognize provisions for claims and demands pending as of the approval date of the financial statements, which, in the opinion of its legal counsel, are not expected to be accepted or the chances of which cannot be estimated. Claims and demands whose prospects cannot be estimated amount to approximately NIS 6 million, at most.

Notes to the condensed consolidated interim financial statements (unaudited)

**Note 7 - Investments in Equity-Accounted Investees**

**7.1 Concise information on material equity-accounted investees**

	Três Corações Alimentos S.A.			Qingdao HSW Health Water Appliance Co. Ltd.		
	September 30		Dec. 31	September 30		Dec. 31
	2025	2024	2024	2025	2024	2024
	Unaudited		Audited	Unaudited		Audited
	NIS millions			NIS millions		
Current assets	3,075	2,508	2,434	944	1,019	921
Of which:						
Cash and cash equivalents	493	147	800	577	553	507
Non-current assets	1,254	1,294	1,155	228	213	229
<b>Total assets</b>	<b>4,329</b>	<b>3,802</b>	<b>3,589</b>	<b>1,172</b>	<b>1,232</b>	<b>1,150</b>
Current liabilities	1,682	1,657	1,249	513	606	511
Of which:						
Financial liabilities excluding trade payables, other payables and provisions	395	821	419	-	103	49
Non-current liabilities	1,056	734	1,118	4	-	5
Of which:						
Financial liabilities excluding trade payables, other payables and provisions	969	645	1,038	-	-	-
<b>Total liabilities</b>	<b>2,738</b>	<b>2,391</b>	<b>2,367</b>	<b>517</b>	<b>606</b>	<b>516</b>
<b>Total net assets (100%)</b>	<b>1,591</b>	<b>1,411</b>	<b>1,222</b>	<b>655</b>	<b>626</b>	<b>634</b>
<b>Company's share of net assets</b>	<b>796</b>	<b>706</b>	<b>611</b>	<b>321</b>	<b>307</b>	<b>311</b>
<b>Other adjustments</b>	<b>97</b>	<b>143</b>	<b>83</b>	<b>74</b>	<b>89</b>	<b>83</b>
Carrying amount of investment	893	849	694	395	396	394



## Notes to the condensed consolidated interim financial statements (unaudited)

## Note 7 - Investments in Equity-Accounted Investees (Cont'd)

## 7.1 Concise information on material equity-accounted investees (Cont'd)

	Três Corações Alimentos S.A.					Qingdao HSW Health Water Appliance Co. Ltd.				
	For the nine months ended		For the three months ended		For the year ended	For the nine months ended		For the three months ended		For the year ended
	Sep. 30 2025	Sep. 30 2024	Sep. 30 2025	Sep. 30 2024	Dec. 31 2024	Sep. 30 2025	Sep. 30 2024	Sep. 30 2025	Sep. 30 2024	Dec. 31 2024
	Unaudited		Unaudited		Audited	Unaudited		Unaudited		Audited
			NIS millions					NIS millions		
Income	6,538	4,775	2,275	1,795	6,619	679	659	216	213	919
Profit for the period	317	146	173	63	168	68	73	16	20	115
Other comprehensive income (loss)	67	(132)	19	3	(344)	(61)	27	(12)	17	(16)
Total comprehensive income (loss)	384	14	192	66	(176)	7	100	4	37	99
Of which:										
Depreciation and amortization	67	74	23	26	93	13	12	4	4	16
Interest income	31	27	13	5	41	5	5	2	1	7
Interest expenses	145	99	52	32	129	-	4	-	-	6
Tax income (expense)	(65)	7	(41)	(9)	24	(16)	(13)	(4)	(7)	(16)
Company's share in comprehensive income (loss)	192	7	96	33	(88)	3	49	2	18	49
Other adjustments	6	(12)	2	1	(31)	(2)	(4)	(1)	(2)	(6)
Share of comprehensive income (loss) presented in the books	198	(5)	98	34	(119)	1	45	1	16	43

**Notes to the condensed consolidated interim financial statements (unaudited)**

**Note 7 - Investments in Equity-Accounted Investees (Cont'd)**

**7.2 Attachment of financial statements**

The Group attaches to these condensed consolidated interim financial statements the condensed consolidated interim financial statements of Três Corações Alimentos S.A., a joint venture in Brazil, which is an equity accounted investee (50% owned). The investee's reports are presented in Brazilian Reals.

Presented below are the average exchange rates and rates of change in the exchange rates of the Brazilian Real relative to the Shekel in the reporting period:

	<b>Brazilian Real exchange rate</b>		
	<b>Average exchange rate for the period</b>	<b>Closing exchange rate for the period</b>	<b>% change based on closing exchange rate</b>
<b>For the nine-month period ended:</b>			
September 30, 2025	0.62	0.62	5.2%
September 30, 2024	0.71	0.69	(8.3%)
<b>For the three-month period ended:</b>			
September 30, 2025	0.62	0.62	1.2%
September 30, 2024	0.67	0.69	0.6%
<b>For the year ended December 31, 2024</b>	<b>0.69</b>	<b>0.59</b>	<b>(21.0%)</b>

From the beginning of the year and as of the approval date of the financial statements, the Shekel has weakened by approximately 2.5% against the Brazilian Real.



**Notes to the condensed consolidated interim financial statements (unaudited)**

**Note 8 - Financial Instruments**

**8.1 Fair value of financial instruments measured at fair value for disclosure purposes only**

The carrying amount of cash and cash equivalents, short and long-term deposits and investments, trade receivables, other accounts receivable, trade payables and other accounts payable is the same as or proximate to their fair value. There was no material change in the fair value (as presented in the Annual Financial Statements) of long-term loans.

Presented below are the fair values, based on the prices of the Tel Aviv Stock Exchange, and carrying amounts (including accrued interest) as presented in the statement of financial position, of the Company's debentures:

	September 30, 2025		September 30, 2024		December 31, 2024	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
	Unaudited				Audited	
	NIS millions					
Series E Debentures	243	238	363	352	361	352
Series F Debentures	1,356	1,280	969	818	967	853

**Notes to the condensed consolidated interim financial statements (unaudited)**

**Note 8 - Financial Instruments (Cont'd)**

**8.2 Fair value hierarchy of financial instruments measured at fair value**

The various levels were defined as follows:

- Level 1: Quoted prices (unadjusted) in an active market for similar instruments.
- Level 2: Inputs, directly or indirectly, other than quoted prices within Level 1.
- Level 3: Inputs that are not based on observable market data (unobservable inputs).

	September 30, 2025			September 30, 2024			December 31, 2024		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
	Unaudited						Audited		
	NIS millions								
<b>Financial assets (liabilities)</b>									
Derivatives receivables	27	1	4	26	6	-	84	3	4
Derivatives payables	(28)	(11)	-	(52)	(1)	-	(108)	(4)	-
*	(1)	(10)	4	(26)	5	-	(24)	(1)	4

For details on the method of determining the fair value of derivative financial instruments measured at Level 2, see Note 25.7.2.1 to the Annual Financial Statements.

\* In the nine and three month periods ended September 30, 2025, the Company respectively recorded a mark-to-market loss of approximately NIS 20.8 million and approximately NIS 15.3 million on commodity (cocoa) derivatives, respectively (in the nine and three month periods ended September 30, 2024, the Company recorded a mark-to-market loss of approximately NIS 83 million and NIS 8 million on commodity (cocoa) derivatives, respectively). The Company has a net outstanding liability as of September 30, 2025, of approximately NIS 12.4 million in the balance of derivatives payable related to these commodity derivatives (as of September 30, 2024, the Company had a net outstanding liability of approximately NIS 43 million included).

**Notes to the condensed consolidated interim financial statements (unaudited)**

**Note 8 - Financial Instruments (cont'd)**

**8.3 Additional Information**

On June 22, 2025, the Company issued approximately NIS 547 million of debentures Series F with a par value of NIS 1 through a series expansion.

The issuance proceeds totaled approximately NIS 461 million, net of issuance costs. Presented below are the terms and conditions of the issued debentures:

	<b>Series F Expansion</b>
Type of interest	Fixed
Annual interest rate	1.9%
Effective interest rate on listing date, taking issuance costs into account	~ 5.16%
Face value on issuance date	NIS 547.169 million
Linkage terms	Principal and interest are not linked to any index
Payment dates of principal	13 annual payments on June 30 of each year from 2025 through 2037. 3 first payments of 5.26% each, and 10 subsequent payments of 8.42% each.
Payment dates of interest	Half-yearly interest on December 31 and June 30, from June 30, 2025 through to June 30, 2037.
Collateral or liens	N/A
Name of rating company	Midroog, Maalot
Rating on issuance date	Aa1.il; ilAA+
Trustee	Reznik Paz Nevo Trusts Ltd., of 14 Yad Harutzim St., Tel Aviv-Yafo

The financial covenants established for the expansion of Series F are identical to the financial covenants of Debentures Series F. For further information, see Note 18.5 to the Annual Financial Statements.



**Notes to the condensed consolidated interim financial statements (unaudited)**

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**Note 9 - Events After the Date of the Statement of Financial Position**

- 9.1 For information on developments in pending claims occurring after the date of the statement of financial position, see Note 6 above.
- 9.2 On October 23, 2025, the Group's Remuneration Committee approved the grant of 288,337 warrants. The exercise price was set at the average closing price of the Company's share in the 30 trading days preceding the grant date, plus a 5% premium. Entitlement to exercise will vest in two tranches, whereby on October 23, 2027, the right to exercise 80% of the warrants totaling 230,670 warrants will vest, and the right will vest to exercise the remaining 20% of the remaining warrants totaling 57,667 warrants on October 23, 2028. The value of the grant is approximately NIS 5.1 million.



Strauss Group Ltd.

# Separate Financial Information As of September 30, 2025

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**Separate Financial Information as of September 30, 2025**

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**Somekh Chaikin**  
KPMG Millenium Tower  
17 Haarbaah St., POB 609  
Tel Aviv 6100601

**03 684 8000**

Attn:  
To the Shareholders of Strauss Group Ltd.

**Re: Special Auditor's Report on the Interim Separate Financial Information Pursuant to Regulation 38D of the Securities Regulations (Periodic and Immediate Reports), 1970**

*Preface*

We have reviewed the interim separate financial information of Strauss Group Limited (hereinafter - the Company), presented in accordance with Regulation 38D of the Securities Regulations (Periodic and Immediate Reports), 1970, as of September 30, 2025, and for the three- and nine-month periods ended on said date. The Company's board of directors and management are responsible for the interim separate financial information. Our responsibility is to express a conclusion regarding the separate interim financial information for these interim periods, based on our review.

We have not reviewed the interim separate financial information in the financial statements of an investee whose total investment therein came to approximately NIS 206 million as of September 30, 2025, and the income from such investee came to approximately NIS 18 million and NIS 5 million for the nine- and three-month periods ended such date, respectively. The financial statements of that company were reviewed by other auditors, whose reports have been furnished to us, and our conclusion, insofar as it relates to the financial statements of that company, is based on the review report of the other auditors.

*Scope of the Review*

We conducted our review in accordance with Review Standard (Israel) no. 2410 of the Institute of Certified Public Accountants in Israel, "Review of Interim Financial Information Prepared by the Entity's Auditor". A review of separate financial information for interim periods includes making inquiries, particularly with the people responsible for financial and accounting matters, and performing analytical and other review procedures. A review is significantly limited in scope relative to an audit conducted in accordance with generally accepted accounting standards in Israel, and therefore does not allow us to reach a level of assurance that we have become aware of all material issues which may have been identified in an audit. We are therefore not expressing an audit opinion.

*Conclusion*

Based on our review, and on the review reports of other auditors, nothing has come to our attention that causes us to believe that the above interim separate financial information is not prepared, in all material respects, in accordance with the provisions of Regulation 38D of the Securities Regulations (Periodic and Immediate Reports), 1970

Somekh Chaikin  
Auditors

November 25, 2025

KPMG Somekh Chaikin - Israel registered partnership and a member firm of KPMG global comprised of independent firms affiliated with KPMG International Limited, a UK private limited liability company

## Condensed Separate Interim Information on the Company's Financial Position

	September 30 2025	September 30 2024	December 31 2024
	Unaudited	Unaudited	Audited
	NIS millions		
<b>Current Assets</b>			
Cash and cash equivalents	15	47	31
Trade receivables	234	200	190
Accounts and other receivables	121	149	234
Investee receivables	124	152	79
Inventory	255	164	179
<b>Total current assets</b>	<b>749</b>	<b>712</b>	<b>713</b>
<b>Investments and non-current assets</b>			
Investment in investee companies	3,455	3,476	3,623
Other investments and long-term receivables	576	622	483
Deferred tax assets	-	-	2
Right-of-use assets	205	218	207
Fixed assets	1,092	1,061	1,083
Investment property	3	3	3
Intangible assets	203	168	181
<b>Total investments and non-current assets</b>	<b>5,534</b>	<b>5,548</b>	<b>5,582</b>
<b>Total assets</b>	<b>6,283</b>	<b>6,260</b>	<b>6,295</b>

Ofra Strauss

Chairperson of the Board of  
Directors

Shai Babad

President and CEO

Tobi Fischbein

CFO

November 25, 2025

Approval date of the  
separate financial  
information.

The additional information attached to the Condensed Separate Financial Information constitutes an integral part thereof.

**Condensed Separate Interim Information on the Company's Financial Position (Cont'd)**

	<b>September 30 2025</b>	<b>September 30 2024</b>	<b>December 31 2024</b>
	<b>Unaudited</b>	<b>Unaudited</b>	<b>Audited</b>
	<b>NIS millions</b>		
<b>Current Liabilities</b>			
Current maturities of debentures	203	174	174
Short-term credit and current maturities of long-term loans and other long-term liabilities	66	464	322
Current maturities of lease liabilities	47	57	51
Trade payables	302	301	261
Income tax	134	70	81
Other accounts payable	244	295	336
Investee payables	458	373	445
Provisions	-	1	1
<b>Total current liabilities</b>	<b>1,454</b>	<b>1,735</b>	<b>1,671</b>
<b>Non-current liabilities</b>			
Debentures	1,387	1,152	1,154
Long-term loans and other long-term liabilities	-	95	-
Lease liabilities	166	167	163
Long-term payables and credit balances	14	20	14
Employee benefits, net	14	12	14
Deferred tax liabilities	23	5	-
<b>Total non-current liabilities</b>	<b>1,604</b>	<b>1,451</b>	<b>1,345</b>
<b>Total equity attributable to shareholders of the Company</b>	<b>3,225</b>	<b>3,074</b>	<b>3,279</b>
<b>Total liabilities and equity</b>	<b>6,283</b>	<b>6,260</b>	<b>6,295</b>

The additional information attached to the Condensed Separate Financial Information constitutes an integral part thereof.

## Condensed Separate Interim Information on the Company's Income

	For the nine-month period ended		For the three-month period ended		For the year ended
	Sept. 30 2025	Sept. 30 2024	Sept. 30 2025	Sept. 30 2024	Dec. 31 2024
	Unaudited				Audited
	NIS millions				
Sales	867	753	306	262	1,009
Cost of sales	714	599	263	189	804
<b>Gross profit</b>	153	154	43	73	205
Selling and marketing expenses	118	129	31	38	175
General and administrative expenses	108	121	43	40	158
	226	250	74	78	333
<b>Operating loss before other income (expenses)</b>	(73)	(96)	(31)	(5)	(128)
Other income	1	3	1	-	69
Other expenses	(8)	(42)	(2)	(15)	(56)
Other income (expenses), net	(7)	(39)	(1)	(15)	13
<b>Operating loss</b>	(80)	(135)	(32)	(20)	(115)
Financing income	4	39	2	8	34
Financing expenses	(75)	(76)	(30)	(26)	(101)
Financing expenses, net	(71)	(37)	(28)	(18)	(67)
<b>Loss before taxes on income</b>	(151)	(172)	(60)	(38)	(182)
Income tax received (paid)	(24)	48	(7)	(3)	51
<b>Loss after income tax</b>	(175)	(124)	(67)	(41)	(131)
Income from investees	452	356	194	140	755
<b>Income for the period attributable to shareholders of the Company</b>	277	232	127	99	624

The additional information attached to the Condensed Separate Financial Information constitutes an integral part thereof.



**Condensed Separate Interim Information on the Company's Comprehensive Income**

	<b>For the nine-month period ended</b>		<b>For the three-month period ended</b>		<b>For the year ended</b>
	<b>Sept. 30 2025</b>	<b>Sept. 30 2024</b>	<b>Sept. 30 2025</b>	<b>Sept. 30 2024</b>	<b>Dec. 31 2024</b>
	<b>Unaudited</b>				<b>Audited</b>
	<b>NIS millions</b>				
<b>Income for the period attributable to shareholders of the Company</b>	<u>277</u>	<u>232</u>	<u>127</u>	<u>99</u>	<u>624</u>
<b>Other comprehensive income (loss) items reclassified to profit or loss in subsequent periods:</b>					
Other comprehensive income (loss) from investees	<u>13</u>	<u>55</u>	<u>(32)</u>	<u>4</u>	<u>(141)</u>
<b>Total other comprehensive income (loss) items for the period that will be reclassified to profit or loss in subsequent periods, net</b>	<u>13</u>	<u>55</u>	<u>(32)</u>	<u>4</u>	<u>(141)</u>
<b>Other comprehensive income items not reclassified to profit or loss in subsequent periods:</b>					
Changes in employee benefits, net	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>
<b>Total other comprehensive income (loss) items not reclassified to profit or loss in subsequent periods, net of tax</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>
<b>Comprehensive income for the period attributable to shareholders of the Company</b>	<u>290</u>	<u>287</u>	<u>95</u>	<u>103</u>	<u>484</u>

The additional information attached to the Condensed Separate Financial Information constitutes an integral part thereof.

### Condensed Separate Interim Information on the Company's Cash Flows

	For the nine-month period		For the three-month period		For the year ended
	Sept. 2025	Sept. 30 2024	Sept. 30 2025	Sept. 30 2024	Dec. 31 2024
	Unaudited				Audited
	NIS millions				
<b>Cash flows from operating activities</b>					
Income for the period attributable to shareholders of the Company	277	232	127	99	624
Adjustments:					
Depreciation	95	92	31	30	123
Amortization of intangible assets	27	24	10	9	28
Capital loss (gain), net, and impairment of assets held for sale	2	-	-	1	-
Other expenses, net	-	-	-	-	6
Expenses for share-based payments	12	15	4	6	21
Income from investees	(452)	(356)	(194)	(140)	(755)
Financing expenses, net	71	37	28	18	67
Income tax expenses (income)	24	(48)	7	3	(51)
Change in inventory	(76)	(38)	(13)	(27)	(52)
Change in trade and other receivables	(41)	(36)	(66)	(23)	(95)
Change in investee receivables	4	(15)	25	16	39
Change in trade payables, other payables and provisions	(86)	105	14	35	115
Change in investee payables	15	29	61	45	(3)
Change in employee benefits	1	(1)	1	-	-
Interest paid	(37)	(35)	(4)	(11)	(60)
Interest received	2	5	-	5	15
Income tax received (paid), net	8	(2)	-	3	(53)
<b>Net cash deriving from (used in) operating activities</b>	<b>(154)</b>	<b>8</b>	<b>31</b>	<b>69</b>	<b>(31)</b>
<b>Cash flows from investment activities</b>					
Proceeds from sale of fixed assets	4	12	-	4	4
Investment in fixed assets	(65)	(53)	(20)	(20)	(94)
Investment in intangible assets	(52)	(60)	(15)	(24)	(80)
Proceeds from sale of investments	-	9	-	-	-
Repayment of long-term loans granted and deposits	76	25	5	6	44
Grant of long-term loans and deposits	(61)	(127)	(8)	-	(175)
Dividends from investees	640	140	-	4	252
Cash received in respect of investing activities with investees	2	29	-	29	180
Cash paid in respect of investing activities with investees	(6)	(100)	(6)	-	(104)
Proceeds from sale of investments in equity-accounted investees	-	-	-	-	19
<b>Net cash derived from (used in) investing activities</b>	<b>538</b>	<b>(125)</b>	<b>(44)</b>	<b>(1)</b>	<b>46</b>

The additional information attached to the Condensed Separate Financial Information constitutes an integral part thereof.

## Condensed Separate Interim Information on the Company's Cash Flows

	<b>For the nine-month period</b>		<b>For the three-month period</b>		<b>For the year ended</b>
	<b>Sept. 2025</b>	<b>Sept. 30 2024</b>	<b>Sept. 30 2025</b>	<b>Sept. 30 2024</b>	<b>Dec. 31 2024</b>
	<b>Unaudited</b>				<b>Audited</b>
	<b>NIS millions</b>				
<b>Cash flows from financing activities</b>					
Redemption of debentures and repayment of long-term loans	(203)	(174)	-	-	(174)
Proceeds from issuance of debentures, net of issuance costs	461	-	-	-	-
Short-term bank credit, net	(255)	464	(13)	(64)	322
Dividends distributed	(360)	(270)	-	-	(270)
Receipt of long-term loans	-	95	-	10	103
Repayment of principal of lease liabilities	(43)	(41)	(15)	(14)	(55)
<b>Net cash from (used in) financing activities</b>	<b>(400)</b>	<b>74</b>	<b>(28)</b>	<b>(68)</b>	<b>(74)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(16)</b>	<b>(43)</b>	<b>(41)</b>	<b>-</b>	<b>(59)</b>
Cash and cash equivalents at beginning of period	31	90	56	47	90
<b>Cash and cash equivalents at end of period</b>	<b>15</b>	<b>47</b>	<b>15</b>	<b>47</b>	<b>31</b>

The additional information attached to the Condensed Separate Financial Information constitutes an integral part thereof.

## **Additional information**

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### **Note 1 – Reporting Rules and Policies**

#### **1.1 General**

- 1.1.1 The Company's business comprises the activity of Corporate HQ, the Group's salad/dip business in Israel and the Group's confectionery business in Israel, which includes the development, manufacture and marketing of branded candy products.
- 1.1.2 The separate interim financial information of Strauss Group Ltd. (hereinafter: the "Company") is being presented in accordance with Regulation 38D of the Securities Regulations (Periodic and Immediate Reports), 1970, and the Tenth Addendum to said regulations with respect to the separate financial information of the corporation. This financial information should be reviewed jointly with the financial information as of and for the year ended December 31, 2024, and jointly with the condensed consolidated interim financial statements as of September 30, 2025 (hereinafter: the "Consolidated Interim Financial Statements").

The accounting policy in this Separate Interim Financial Information was applied consistently with the accounting policy and rules described in the Separate Financial Information as of December 31, 2024.

- 1.1.3 In this Separate Financial Information – the Company and investee companies, as defined in Note 1 to the Consolidated Financial Statements of the Company as of December 31, 2024, and as presented in Note 1 to the Condensed Consolidated Interim Financial Statements as of September 30, 2025.
- 1.1.4 The Separate Interim Financial Information is presented in NIS, which is the Company's functional currency. The financial information is presented in NIS millions and has been rounded to the nearest million.

### **Note 2 - Seasonality**

Sales of Fun & Indulgence products in the confectionery category are affected by seasonality and are generally higher (comparatively) in the first third of the year, and lower (comparatively) in the second third of the year. Seasonality is mainly affected by the winter months, which fall in Q1 and are marked by greater consumption of chocolate products as well as by increased consumption of Fun & Indulgence products with the approach of Purim and Passover.

### **Note 3 - Events in the Reporting Period**

- 3.1 In Q1 2025 the Company received a dividend totaling approximately NIS 535 million (approximately USD 149.5 million) from a US subsidiary.
- 3.2 In Q2 2025 the Company received dividends from investees totaling approximately NIS 105 million.
- 3.3 For further information on events in the reporting period, see Note 4 to the Condensed Consolidated Interim Financial Statements.

### **Note 4 - Share-Based Payment**

For further information regarding share-based payments, see Note 5 to the Condensed Consolidated Interim Financial Statements.



## **Additional information**

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### **Note 5 – Contingent Liabilities**

For further information regarding contingent liabilities, see Note 6 to the Condensed Consolidated Interim Financial Statements.

### **Note 6 - Financial Instruments**

#### **6.1 Fair value of financial instruments**

For information on the fair value of financial instruments, see Note 8.1 to the Condensed Consolidated Interim Financial Statements.

#### **6.2 Fair value hierarchy of financial instruments measured at fair value**

For information on the fair value hierarchy of financial instruments measured at fair value, see Note 8.2 to the Condensed Consolidated Interim Financial Statements.

#### **6.3 Additional Information**

For information on the issuance of Company debentures, see Note 8.3 to the Condensed Consolidated Interim Financial Statements.

### **Note 7 - Events After the Date of the Statement of Financial Position**

7.1 For further information on events occurring after the date of the statement of financial position, see Note 9 to the Condensed Consolidated Interim Financial Statements.



Strauss Group Ltd.

## Effectiveness of internal control

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## QUARTERLY REPORT ON THE EFFECTIVENESS OF INTERNAL CONTROL OVER FINANCIAL REPORTING AND DISCLOSURE PURSUANT TO REGULATION 38c(a):

Management, under the supervision of the board of directors of Strauss Group Ltd. (the "Corporation"), is responsible for determining and maintaining proper internal control over financial reporting and disclosure within the Corporation.

For this purpose, the members of management are:

1. Shai Babad, President & Chief Executive Officer;
2. Ronen Zohar, Deputy Chief Executive Officer;
3. Tobi Fischbein, Chief Financial Officer;
4. Yael Nevo, EVP, CLO and Company Secretary;
5. Hila Mukevisius, SVP HR;
6. Raanan Kovalsky, CEO Strauss Israel
7. Linda Cohen Rofe, SVP BD and Strategy
8. Esti Carmeli, CEO Strauss Water

Internal control over financial reporting and disclosure includes controls and procedures existing within the Corporation, which were planned by or under the supervision of the CEO and the most senior financial officer, or by anyone performing such functions in practice, under the supervision of the board of directors of the Corporation, which are designed to provide a reasonable level of assurance regarding the reliability of financial reporting and preparation of the reports according to the provisions of the law, and to ensure that information which the Corporation is required to disclose in reports released thereby according to the law is gathered, processed, summarized and reported within the time frames and in the format set forth in the law.

Internal control includes, *inter alia*, controls and procedures which were planned to ensure that information which the Corporation is required to disclose as aforesaid, is gathered and transferred to the management of the Corporation, including the Chief Executive Officer and the most senior financial officer or anyone performing such functions, in order to enable decisions in reference to the disclosure requirement to be made in a timely manner.

Due to its inherent limitations, internal control over financial reporting and disclosure is not designed to provide full assurance that misrepresentation or omission of information in the reports is prevented or detected.

In the Quarterly Report on the Effectiveness of Internal Control over Financial Reporting and Disclosure, which was attached to the Periodic Report for the period ended June 30, 2025 (hereinafter: the "Latest Quarterly Report on Internal Control"), the Board of Directors and Management of the corporation reached the conclusion that internal control as of June 30, 2025 is effective.

Until the reporting date the Board of Directors and Management were not informed of any event or matter that is able to alter the evaluation of the effectiveness of the internal control, as presented in the Latest Quarterly Report on the Internal Control.

As at the reporting date, based on the evaluation of the effectiveness of internal control in the Latest Quarterly Report on Internal Control, and based on information brought to the knowledge of Management and the Board of Directors, as mentioned above, internal control is effective.

## Declaration by the Chief Executive Officer pursuant to Regulation 38c(d)(1):

### Managers' Declarations:

I, Shai Babad, declare that:

- (1) I have reviewed the Quarterly Report of Strauss Group Ltd. (the "Corporation") for the third quarter of 2025 (the "Reports" or the "Interim Reports").
- (2) To my knowledge, the Reports do not contain any misrepresentation of a material fact, nor omit any representation of a material fact which is required for the representations included therein, in view of the circumstances in which such representations were included, not to be misleading in reference to the period of the Reports.
- (3) To my knowledge, the Financial Statements and other financial information included in the Reports adequately reflect, in all material respects, the financial condition, results of operations and cash flows of the Corporation for the dates and periods to which the Reports relate.
- (4) I have disclosed to the Corporation's auditor and to the Corporation's board of directors and the audit and financial statement committees, based on my most current assessment of internal control over financial reporting and disclosure:
  - a. Any and all significant flaws and material weaknesses in the determination or operation of internal control over financial reporting and disclosure which may reasonably adversely affect the Corporation's ability to gather, process, summarize or report financial information in a manner which casts doubt on the reliability of financial reporting and preparation of the Financial Statements in accordance with the provisions of the law; and -
  - b. Any fraud, either material or immaterial, which involves the Chief Executive Officer or anyone reporting to him directly or which involves other employees who play a significant role in internal control over financial reporting and disclosure;
- (5) I, either alone or jointly with others in the Corporation:
  - a. Have determined controls and procedures, or confirmed the determination and existence of controls and procedures under my supervision, which are designed to ensure that material information in reference to the Corporation, including consolidated companies thereof as defined in the Securities Regulations (Annual Financial Statements), 2010, is presented to me by others within the Corporation and the consolidated companies, particularly during the period of preparation of the Reports; and -
  - b. Have determined controls and procedures or confirmed the determination and existence of controls and procedures under my supervision, which are designed to provide reasonable assurance of the reliability of financial reporting and preparation of the Financial Statements according to the provisions of the law, including in accordance with Generally Accepted Accounting Principles.

- c. I was not informed of any event or matter occurring in the period between the date of the latest report (the Quarterly Report as of June 30, 2025) and the date of the Reports, which could alter the conclusion of the Board of Directors and Management regarding the effectiveness of the Corporation's internal control over financial reporting and disclosure.

The foregoing shall not derogate from my responsibility or from the responsibility of any other person, pursuant to applicable law.

November 25, 2025

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**Shai Babad, President & Chief Executive Officer**

## Declaration by the most senior financial officer pursuant to Regulation 38c(d)(2):

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### Managers' Declarations:

I, Tobi Fischbein, declare that:

- (1) I have reviewed the Interim Financial Statements and the other financial information included in the interim reports of Strauss Group Ltd. (hereinafter: the "Corporation") for the third quarter of 2025 (hereinafter: the "Reports" or the "Interim Reports").
- (2) To my knowledge, the Interim Financial Statements and other financial information contained in the Interim Reports do not contain any misrepresentation of a material fact, nor omit any representation of a material fact which is required for the representations included therein, in view of the circumstances in which such representations were included, not to be misleading in reference to the period of the Reports.
- (3) To my knowledge, the Financial Statements and other financial information included in the Interim Reports adequately reflect, in all material respects, the financial condition, results of operations and cash flows of the Corporation for the dates and periods to which the Reports relate.
- (4) I have disclosed to the Corporation's auditor and to the Corporation's board of directors and the audit and financial statement committees, based on my most current assessment of internal control over financial reporting and disclosure:
  - a. Any and all significant flaws and material weaknesses in the determination or operation of internal control over financial reporting and disclosure insofar as it relates to the Interim Financial Statements and other financial information included in the Interim Reports, which may reasonably adversely affect the Corporation's ability to gather, process, summarize or report financial information in a manner which casts doubt on the reliability of financial reporting and preparation of the Financial Statements in accordance with the provisions of the law; and -
  - b. Any fraud, either material or immaterial, which involves the CEO or anyone reporting to him directly or which involves other employees who play a significant role in internal control over financial reporting and disclosure;
- (5) I, either alone or jointly with others in the Corporation:
  - a. Have determined controls and procedures, or confirmed the determination and existence of controls and procedures under my supervision, which are designed to ensure that material information in reference to the Corporation, including consolidated companies thereof as defined in the Securities Regulations (Annual Financial Statements), 2010, insofar that it is relevant to the Financial Statements and other financial information included in the Reports, is presented to me by others within the Corporation and the consolidated companies, particularly during the period of preparation of the Reports; and -

- b. Have determined controls and procedures, or confirmed the determination and existence of controls and procedures under our supervision, which are designed to provide reasonable assurance of the reliability of financial reporting and preparation of the Financial Statements according to the provisions of the law, including in accordance with Generally Accepted Accounting Principles;
- c. I was not informed of any event or matter occurring in the period between the date of the latest report (the Quarterly Report as of June 30, 2025) and the date of the Reports, which could alter the conclusion of the Board of Directors and Management regarding the effectiveness of the Corporation's internal control over financial reporting and disclosure.

The foregoing shall not derogate from my responsibility or from the responsibility of any other person, pursuant to applicable law.

November 25, 2025

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**Tobi Fischbein, Chief Financial Officer**





Strauss Group LTD.

# Inclusion of the Financial Statements of an Investee Pursuant to Regulation 44 of the Securities Regulations, 1970

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## **Três Corações Alimentos S.A.**

Condensed consolidated interim financial  
statements as of and for the nine and three  
month period ended September 30, 2025

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## **Independent auditors' report on review of interim financial statements**

To  
Directors and shareholders of Três Corações Alimentos S.A.  
Eusébio - Ceará

### **Introduction**

We have reviewed the accompanying condensed consolidated interim financial statements position of Três Corações Alimentos S.A. as at September 30, 2025, the condensed consolidated interim financial statements of income and other comprehensive income, changes in equity and cash flows for the three and nine month periods then ended, and notes to the condensed consolidated interim financial statements. Management is responsible for the preparation and presentation of this condensed consolidated interim financial statements in accordance with IAS 34, 'Interim Financial Reporting'. Our responsibility is to express a conclusion on this condensed consolidated interim financial statements based on our review.

### **Scope of Review**

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Statement Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements as at September 30, 2025 are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

Fortaleza, November 6, 2025

KPMG Auditores Independentes Ltda.  
CRC CE-003141/F-5

Pedro Barroso Silva Júnior  
Contador CRC CE 021967/O 5



## Três Corações Alimentos S.A.

Condensed Consolidated Interim Statements of Financial Position as of September 30, 2025 and December 31, 2024

(In thousand of Brazilian Reals)



Assets	September 30, 2025	December 31, 2024	Liabilities and equity	September 30, 2025	December 31, 2024
<b>Current</b>			<b>Current</b>		
Cash and cash equivalents	792.855	1.353.341	Short term loans	587.608	665.462
Deposits	830	22.146	Trade payables	1.722.291	1.088.345
Trade receivables	1.841.339	989.771	Short term lease liabilities	48.546	43.878
Inventories	2.120.202	1.578.307	Income tax payables	23.092	105
Recoverable taxes	124.864	120.102	Employees and other payroll related liabilities	146.544	92.589
Income tax receivable	27.521	24.286	Proposed dividends	77.034	69.095
Other current assets	38.844	31.330	Interest on equity payable	21.645	-
	<u>4.946.455</u>	<u>4.119.283</u>	Payable taxes	38.609	82.312
			Other current liabilities	40.874	72.224
				<u>2.706.243</u>	<u>2.114.010</u>
<b>Non-current</b>			<b>Non-current</b>		
Trade receivables	1.642	1.642	Long term loans	1.504.129	1.704.624
Judicial deposits	10.238	10.746	Long term lease liabilities	54.180	52.960
Recoverable taxes	215.191	174.132	Other non-current liabilities	27.627	27.466
Income tax receivable	24.554	33.017	Provision for legal proceedings	78.573	73.968
Other non-current assets	91.464	91.653	Interest on equity payable	33.855	33.855
Deferred tax assets	78.913	108.790		<u>1.698.364</u>	<u>1.892.873</u>
Investments	118.090	104.215			
Fixed assets	943.851	888.797	<b>Equity</b>		
Intangible assets	448.672	462.302	Share capital	365.400	276.464
Right-of-use assets	84.945	79.443	Translation reserve	(231.448)	(239.060)
	<u>2.017.560</u>	<u>1.954.737</u>	Retained earnings	2.425.456	2.029.733
			Equity attributable to owners of the Company	2.559.408	2.067.137
<b>Total assets</b>	<u><u>6.964.015</u></u>	<u><u>6.074.020</u></u>	<b>Total liabilities and equity</b>	<u><u>6.964.015</u></u>	<u><u>6.074.020</u></u>

The accompanying notes are an integral part of these condensed consolidated financial statements.

**Três Corações Alimentos S.A.**

Condensed Consolidated Interim Statements of Income  
 Nine and three month periods ended September 30, 2025 and 2024  
 (In thousand of Brazilian Reals)



	Note	Nine months period ended September 30,		Three months period ended September 30,	
		2025	2024	2025	2024
Revenue	7	10,507,343	6,804,130	3,689,156	2,682,662
Cost of sales		(8,440,143)	(5,364,669)	(2,815,466)	(2,146,999)
<b>Gross profit</b>		<b>2,067,200</b>	<b>1,439,461</b>	<b>873,690</b>	<b>535,663</b>
Selling and marketing expenses		(1,092,593)	(1,006,728)	(394,832)	(352,846)
General and administrative expenses		(190,525)	(181,101)	(65,488)	(59,969)
Allowance for expected credit losses		(6,528)	4,525	(2,673)	2,502
Equity method		15,400	28,896	6,120	16,495
<b>Operating profit before other income (expenses)</b>		<b>792,954</b>	<b>285,053</b>	<b>416,817</b>	<b>141,845</b>
Other income (expenses), net		(1,484)	4,419	(4,618)	4,480
<b>Operating profit</b>		<b>791,470</b>	<b>289,472</b>	<b>412,199</b>	<b>146,325</b>
Financial income		57,856	38,406	20,894	10,427
Financial expenses		(235,635)	(126,723)	(85,760)	(48,657)
<b>Net financial expenses</b>	8	<b>(177,779)</b>	<b>(88,317)</b>	<b>(64,866)</b>	<b>(38,230)</b>
<b>Profit before income tax</b>		<b>613,691</b>	<b>201,155</b>	<b>347,333</b>	<b>108,095</b>
Income tax expenses		(104,122)	8,105	(66,766)	(14,337)
<b>Profit for the period</b>		<b>509,569</b>	<b>209,260</b>	<b>280,567</b>	<b>93,758</b>
<b>Profit attributable to:</b>					
Owners of the Company		509,569	209,365	280,567	93,799
Non-controlling interests		-	(105)	-	(41)
<b>Total profit for the period</b>		<b>509,569</b>	<b>209,260</b>	<b>280,567</b>	<b>93,758</b>

The accompanying notes are an integral part of these condensed consolidated financial statements.

**Três Corações Alimentos S.A.**

Condensed Consolidated Interim Statements of Comprehensive Income

Nine and three month periods ended September 30, 2025 and 2024

(in thousands of Brazilian Reals)



	Nine months period ended September 30,		Three months period ended September 30,	
	2025	2024	2025	2024
Profit attributable to:	509,569	209,260	280,567	93,758
Other comprehensive income (loss) items that are or may be reclassified subsequently to profit or loss				
Foreign currency translation differences	7,612	(20,236)	2,775	(8,576)
Comprehensive income for the period	<u>517,181</u>	<u>189,024</u>	<u>283,342</u>	<u>85,182</u>
Comprehensive income attributable to:				
Owners of the Company	517,181	189,129	283,342	85,223
Non-controlling interests	-	(105)	-	(41)
Total comprehensive income for the period	<u>517,181</u>	<u>189,024</u>	<u>283,342</u>	<u>85,182</u>

The accompanying notes are an integral part of these condensed consolidated financial statements.



**Três Corações Alimentos S.A.**

Condensed Consolidated Interim Statements of Changes in Equity

Nine month periods ended September 30, 2025 and 2024

(In thousand of Brazilian Reals)



	Retained earnings					Accumulated profit	Total	Non- controlling interests	Total Equity
	Share capital	Legal reserve	Tax incentives	Profit to distribute	Translation reserve				
Balance as of December 31, 2023	276.464	55.293	794.214	936.730	(195.776)	-	1.866.925	151	1.867.076
Profit for the period	-	-	-	-	-	209.365	209.365	(105)	209.260
Other comprehensive loss:									
Foreign currency translation differences	-	-	-	-	(20.236)	-	(20.236)	-	(20.236)
Total other comprehensive gain (loss):	-	-	-	-	(20.236)	209.365	189.129	(105)	189.024
Internal equity changes									
Acquisitions of non-controlling interests	-	-	-	-	-	-	-	(46)	(46)
State VAT and Federal tax incentives	-	-	1.411	-	-	(1.411)	-	-	-
Profit destination									
Reserve for profit to be distributed	-	-	-	207.954	-	(207.954)	-	-	-
	-	-	1.411	207.954	-	(209.365)	-	(46)	(46)
Balance as of September 30, 2024	276.464	55.293	795.625	1.144.684	(216.012)	-	2.056.054	-	2.056.054
Balance as of December 31, 2024	276.464	55.293	793.580	1.180.860	(239.060)	-	2.067.137	-	2.067.137
Profit for the period	-	-	-	-	-	509.569	509.569	-	509.569
Other comprehensive loss:									
Foreign currency translation differences	-	-	-	-	7.612	-	7.612	-	7.612
Total other comprehensive gain (loss):	-	-	-	-	7.612	509.569	517.181	-	517.181
Internal equity changes									
Capitalization of tax incentives	88.936	-	(88.936)	-	-	-	-	-	-
Change in interest in investments valued by the equity method	-	-	-	(1.510)	-	-	(1.510)	-	(1.510)
Profit destination									
Interest on equity credited	-	-	-	-	-	(23.400)	(23.400)	-	(23.400)
Reserve for profit to be distributed	-	-	-	486.169	-	(486.169)	-	-	-
	88.936	-	(88.936)	484.659	-	(509.569)	(24.910)	-	(24.910)
Balance as of September 30, 2025	365.400	55.293	704.644	1.665.519	(231.448)	-	2.559.408	-	2.559.408

The accompanying notes are an integral part of these condensed consolidated financial statements.

**Três Corações Alimentos S.A.**

Condensed Consolidated Interim Statements of Changes in Equity

Three month periods ended September 30, 2025 and 2024

(In thousand of Brazilian Reals)



	Retained earnings								
	Share capital	Legal reserve	Tax incentives	Profit to distribute	Translation reserve	Accumulated profit	Total	Non- controlling interests	Total Equity
Balance as of June 30, 2024	276,464	55,293	794,214	1,052,296	(207,436)	-	1,970,831	88	1,970,919
Profit for the period	-	-	-	-	-	93,799	93,799	(41)	93,758
Other comprehensive loss:									
Foreign currency translation differences	-	-	-	-	(8,576)	-	(8,576)	-	(8,576)
Total other comprehensive gain (loss):	-	-	-	-	(8,576)	93,799	85,223	(41)	85,182
Internal equity changes									
Acquisitions of non-controlling interests	-	-	-	-	-	-	-	(47)	(47)
State VAT and Federal tax incentives	-	-	1,411	-	-	(1,411)	-	-	-
Profit destination									
Reserve for profit to be distributed	-	-	-	92,388	-	(92,388)	-	-	-
	-	-	1,411	92,388	-	(93,799)	-	(47)	(47)
Balance as of September 30, 2024	276,464	55,293	795,625	1,144,684	(216,012)	-	2,056,054	-	2,056,054
Balance as of June 30, 2025	276,464	55,293	793,580	1,384,937	(234,223)	-	2,276,051	-	2,276,051
Profit for the period	-	-	-	-	-	280,567	280,567	-	280,567
Other comprehensive loss:									
Foreign currency translation differences	-	-	-	-	2,775	-	2,775	-	2,775
Total other comprehensive gain (loss):	-	-	-	-	2,775	280,567	283,342	-	283,342
Internal equity changes									
Capitalization of tax incentives	88,936	-	(88,936)	-	-	-	-	-	-
Change in interest in investments valued by the equity method	-	-	-	15	-	-	15	-	15
Profit destination									
Reserve for profit to be distributed	-	-	-	280,567	-	(280,567)	-	-	-
	88,936	-	(88,936)	280,582	-	(280,567)	15	-	15
Balance as of September 30, 2025	365,400	55,293	704,644	1,665,519	(231,448)	-	2,559,408	-	2,559,408

The accompanying notes are an integral part of these condensed consolidated financial statements.

**Três Corações Alimentos S.A.**

Consolidated Interim Statements of Cash Flow

Nine and three month periods ended September 30, 2025 and 2024

(in thousand of Brazilian Reals)



	Nine month periods ended September 30,		Three month periods ended September 30,	
	2025	2024	2025	2024
<b>Cash flows from operating activities</b>				
Profit for the period	509.569	209.260	280.567	93.758
Adjustments for:				
Depreciation and amortization	108.491	104.226	37.011	37.401
Termination of lease contracts	(2.377)	(1.097)	(210)	(1.093)
Provision (reversal) for legal proceedings	4.605	2.319	1.297	(1.359)
(Income) expenses from change in Allowance for expected credit losses	6.528	(4.525)	2.673	(2.502)
Other (income) expenses, net	1.484	(4.419)	4.618	(4.480)
Equity method	(15.400)	(28.896)	(6.120)	(16.495)
Finance expenses, net	177.779	88.317	64.866	38.230
Income tax expenses	104.122	(8.105)	66.766	14.337
Change in:				
Trade receivables	(864.326)	(725.094)	70.485	(144.265)
Inventories	(553.813)	(598.030)	203.782	(185.099)
Recoverable and payable taxes, net	(82.911)	88	(20.310)	4.848
Judicial deposits	508	(1.256)	930	(34)
Trade payables	633.917	(92.050)	(8.321)	(245.339)
Employees and other payroll related liabilities	53.955	33.859	7.816	4.802
Other current and non-current assets and liabilities	(39.942)	(12.655)	5.258	(1.632)
<b>Change in operating activities</b>	<b>42.189</b>	<b>(1.038.058)</b>	<b>711.108</b>	<b>(408.922)</b>
Interest paid	(195.516)	(100.364)	(63.980)	(26.276)
Interest received	49.714	32.538	20.909	7.119
Income tax paid	(45.881)	(1.855)	(38.596)	(473)
<b>Net cash flows provided by (used in) operating activities</b>	<b>(149.494)</b>	<b>(1.107.739)</b>	<b>629.441</b>	<b>(428.552)</b>
<b>Cash flows from investing activities</b>				
Change in deposits	20.473	3.435	(830)	9.415
Proceeds from sales of fixed assets	10.126	6.667	3.054	4.576
Acquisition of fixed assets	(121.704)	(186.467)	(43.782)	(58.431)
Investments in intangible assets	(6.153)	(11.727)	(2.921)	(2.957)
Dividend received	15	20.737	-	-
<b>Net cash flows used in investing activities</b>	<b>(97.243)</b>	<b>(167.355)</b>	<b>(44.479)</b>	<b>(47.397)</b>
<b>Cash flows from financing activities</b>				
Proceeds from loans	237.437	1.361.245	42.188	594.992
Repayment of loans	(524.309)	(716.513)	(143.004)	(55.292)
Payment of lease liabilities	(26.877)	(26.464)	(8.783)	(9.270)
<b>Net cash flows provided by (used in) financing activities</b>	<b>(313.749)</b>	<b>618.268</b>	<b>(109.599)</b>	<b>530.430</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(560.486)</b>	<b>(656.826)</b>	<b>475.363</b>	<b>54.481</b>
<b>Net increase (decrease) in cash and cash equivalents</b>				
Cash and cash equivalents as at beginning of period	1.353.341	870.986	317.492	159.679
Cash and cash equivalents as at end of period	792.855	214.160	792.855	214.160
	<b>(560.486)</b>	<b>(656.826)</b>	<b>475.363</b>	<b>54.481</b>

The accompanying notes are an integral part of these condensed consolidated financial statements.



## 1 General information

Três Corações Alimentos S.A. (the “Company”) together with its subsidiaries (the “Group”) are an industrial and commercial Group, which operates in Brazil, in producing and selling branded coffee products, machines, powdered juices, chocolate drinks, cornmeal products, green coffee exports, lending Away-From-Home machines, operation of coffee shops, roasting and selling specialty coffees in e-commerce and to third party businesses and investing in other companies. The Group also operates through joint-venture (JV) in the sales of multi-beverage single portion capsules, plant-based beverages, especially nuts milk and isotonic ones, cashew butter, snacks and flour products.

The Company is located at Rua Santa Clara, 100, Parque Santa Clara, Eusébio, Ceará, Brazil. The Company controls the entities Cafeterias Três Corações Ltda., Prumo Participações Ltda., which in turn controls the entity Rituais Café S.A. and also controls Café Três Corações S.A., which controls the entity Principal Comércio e Indústria Ltda and the entity Café Brasileiro Alimentos Ltda. The Company also participates in JV agreements, sharing the control with third parties of the companies 3Caffi Indústria e Comércio de Cápsulas S.A. (“3Caffi”) and Positive Company Indústria e Comércio Ltda (“Positive Company”) which owns 67% of Unnix Indústria e Comércio S.A (“Zaya”). The Company has 50% of shares in each JV, which are not consolidated in this report, but evaluated by equity method.

The Group is currently the largest group in roasted and ground coffee business in Brazil according to Nielsen Flash Report, and owns the coffee and other food brands of Santa Clara, Kimimo, Três Corações, Pimpinela, Principal, Fino Grão, Café Doutor, Café Opção, Café Divinópolis, Café Geronymo, Estrada Real, Café Letícia, Itamaraty, Londrina, Café do Cuca, Ouribom, Bangu, Fort, Chocolatto, Claralate, Dona Clara, Claramil, Frisco, Tornado, Tres, Iguaçu, Cruzeiro, Amigo, Cirol, Cirol Real, Realmil, Toko, Apollo, Astoria, Manaus, Tapajós, Betânia, Tribo do Café, Bar Barista, Rituais, Café Brasileiro, Café 3 Fazendas, Café Bandeira, Café Premiado, .br, .br Gold and Coolate. In addition, the Group sells products with the brands A Tal da Castanha, Plant Power, Possible, Zaya and Zaytas, owned by the Positive Company.

The Group’s industrial facilities are located in the states of Ceará, Rio Grande do Norte, Minas Gerais, Rio de Janeiro, Amazonas, São Paulo and Mato Grosso. Distribution centers are located in almost all states of Brazil. In addition, the Group owns green coffee processing plants in the state of Minas Gerais. The Group also owns coffee shops that are located in the cities of Fortaleza, Natal and Curitiba. Positive Company’s physical structure is located in the state of Espírito Santo, Ceará and São Paulo. Part of the facilities used by the Group is leased from one of its related parties, Três Corações Imóveis Armazéns Gerais e Serviços Ltda., which is not consolidated in these financial statements, since it is not part of the Group structure presented below, it is owned by São Miguel Holding e Investimentos S.A. (50%) and Strauss Coffee B.V. (50%).

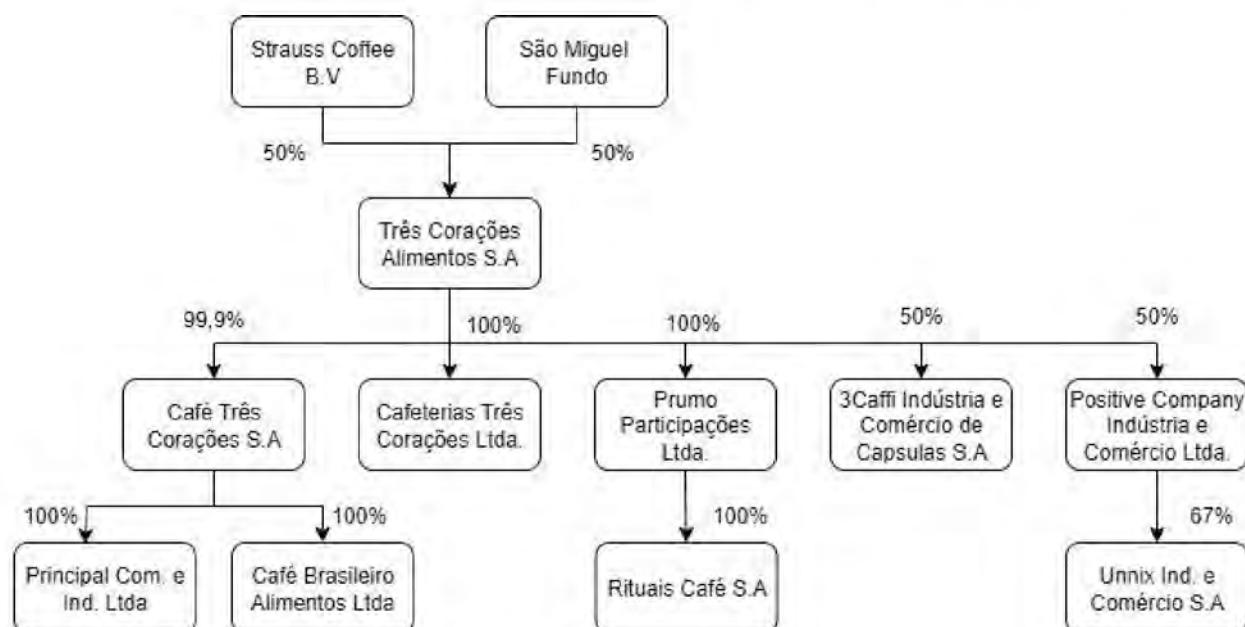
## Três Corações Alimentos S.A.

### Notes to the condensed consolidated interim financial statements

(In thousands of Brazilian Reals)



On September 30, 2025, the Group has the following structure, same as December 31, 2024:



## 2 Basis of preparation

### 2.1 Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting, and should be read in conjunction with the IFRS audited consolidated financial statements as at and for the year ended December 31, 2024 ('last annual financial statements'). They do not include all of the information required for a complete set of financial statements prepared in accordance with IFRS Accounting Standards. However, explanatory notes are included to explain events and transactions that are significant for understanding of the changes in the financial position and performance since the last annual financial statements.

These condensed consolidated interim financial statements were authorized for issuance by Company's Management on November 6, 2025.

### 2.2 Significant accounting policies, judgments and estimates

The accounting policies, judgments and estimates applied in the preparation of these interim condensed consolidated financial statements are consistent with those followed in the preparation of the Company's annual consolidated financial statements for the year ended December 31, 2024. The Group has not adopted early any other standards, interpretations or amendments that have been issued but are not yet effective.



### 3 Material events during the reported period

#### 3.1 Interest on Equity

In accordance with the Board of Directors' meeting on May 30, 2025, the Company approved the recommendation of the Board of Directors for the distribution of Interest on Equity (IOE) in the amount of R\$ 23,400 (R\$ 21,645 net of income tax). This amount is to be paid up until December, 2026, observing the financial situation of the Company and in accordance with the Dividend Policy.

#### 3.2 Capitalization of tax incentives

In accordance with the Board of Directors' meeting on August 22, 2025, the Company approved the capital increase of R\$ 88,936, from R\$ 276,464 to R\$ 365,400, with no cash movement. The proportion of each shareholder remains the same. The increased amount came from Tax Incentive Reserve, related to a Federal Incentive of reduction of 75% of Income Tax until 2018.

### 4 Cash and cash equivalents, short and long term loans

	September 30, 2025	December 31, 2024
Short term loans	587,608	665,462
Long term loans	1,504,129	1,704,624
Cash and cash equivalents	(792,855)	(1,353,341)
Net debt	<u>1,298,882</u>	<u>1,016,745</u>

Cash and cash equivalents decrease is mainly due usage in operating activities such as interest paid, trade receivables and inventories movements, the investing activity of acquisition of fixed assets and the financing activity of repayment of loans. Below is presented the cash flow used for the nine-month period:

- Cash flows used in operating activities, in the amount of R\$ (149,494);
- Cash flows used in investing activities, in the amount of R\$ (97,243);
- Cash flows used by financing activities, in the amount of R\$ (313,749).

There are no debt covenants in the Group's loans contracts with the banks.

### 5 Provision for legal proceedings

In 2024, the Union filed a public civil action in the State of Rio de Janeiro alleging irregularities regarding working hours at the Rio de Janeiro Unit. The Union sought payment of overtime and compensation for collective moral damages. The initial estimated amount of the claim was R\$ 205,170, representing 20% of the Rio de Janeiro Unit's annual revenue. At the end of 2024, the lawsuit was in the evidentiary phase, with a hearing scheduled for 2025. Based on this stage, the Company assessed the risk of loss as possible.

## Três Corações Alimentos S.A.

### Notes to the condensed consolidated interim financial statements

(In thousands of Brazilian Reals)



During the first quarter of 2025, the Company obtained a favorable decision in the first level court regarding this lawsuit. Previously, the Company's legal advisors had assessed the probability of loss as possible. Following this favorable ruling, the Company now believes that the risk of future disbursements related to this lawsuit has decreased. The updated estimated amount of the lawsuit is R\$ 215,900, with the Company now assessing the probability of loss as 50% possible and 50% remote.

In August 2025, following an appeal by the Union, the Court annulled the previous ruling. The annulment was granted due to a procedural error: the mandatory participation of the Labor Prosecutor's Office (Ministério Público do Trabalho) in the legal process had not occurred. As a result of this decision, the case returns to its initial phase. Consequently, the Company has re-evaluated the risk of loss, which is once again classified as 'possible', with the estimated amount involved remaining at R\$ 122,138.

## 6 Financial instruments

### 6.1 Fair value of financial instruments

The carrying amounts of cash and cash equivalents, deposits, trade receivables, other current and non-current assets and liabilities, trade payables and loans to related parties, are equal or close to their fair values, except as mentioned below.

Presented below are the carrying amounts and fair values of financial liabilities that are not presented in the financial statements at fair value:

	Level of hierarchy of fair value	September 30, 2025		December 31, 2024	
		Carrying amount	Fair value	Carrying amount	Fair value (a)
Financial liabilities					
Short term loans	2	587,608	762,829	665,462	837,867
Long term loans	2	1,504,129	1,718,210	1,704,624	2,020,118
		<u>2,091,737</u>	<u>2,481,039</u>	<u>2,370,086</u>	<u>2,857,985</u>

The fair value is based on the contractual cash flows, discounted based on the market interest rates as of each reporting date. The carrying amount includes interest accrued as of each reporting date.

- (a) The comparative balances related to December 31, 2024 for the fair value financial liabilities were restated at the financial statements as of September 30, 2025. Management re-evaluated the calculation and corrected the comparative amounts. This adjustment does not affect the Company's accounting balances or key indicators.

### 6.2 Fair value hierarchy

The Group uses the following hierarchy to determine and disclose the fair values of financial instruments, based on the valuation methodology used:

- **Level 1:** quoted prices in an active market for identical assets and liabilities;
- **Level 2:** values determined by other techniques, for which all of the data, having a significant effect on the recorded fair value, are observable, directly or indirectly;



## Três Corações Alimentos S.A.

### Notes to the condensed consolidated interim financial statements

(In thousands of Brazilian Reals)



The fair value of assets and liabilities that are not quoted in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques.

These valuation techniques maximize the use of observable market data when it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2. If one or more of the significant inputs are not based on observable market data, the asset or liability is considered as valued from Level 3 source of information.

Specific valuation techniques that might be used to value financial instruments in general include:

- (i) Quoted market prices or dealer quotes for similar instruments;
  - (ii) The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves;
  - (iii) Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.
- **Level 3:** inputs for valuing a financial instrument that is not based on observable market data (that is, unobservable inputs).

On September 30, 2025 and December 31, 2024, the Group had no financial instruments classified at Level 3.

## 7 Revenue

### 7.1 Disaggregated revenue information

	Nine month periods ended		September 30, 2025
	Products	Services	
Geographical markets			
Domestic	10,303,439	1,623	10,305,062
Foreign	202,281	-	202,281
Chile	56,668	-	56,668
Japan	49,058	-	49,058
Argentina	29,804	-	29,804
United States	27,315	-	27,315
Paraguay	12,244	-	12,244
Other countries	27,192	-	27,192
	<u>10,505,720</u>	<u>1,623</u>	<u>10,507,343</u>



## Três Corações Alimentos S.A.

Notes to the condensed consolidated interim financial statements  
(In thousands of Brazilian Reals)



	Nine month periods ended		September 30, 2024
	Products	Services	
<b>Geographical markets</b>			
<b>Domestic</b>	<b>6,605,336</b>	<b>1,883</b>	<b>6,607,219</b>
<b>Foreign</b>	<b>196,911</b>	<b>-</b>	<b>196,911</b>
Japan	59,891	-	59,891
Chile	38,074	-	38,074
Switzerland	30,487	-	30,487
Germany	21,684	-	21,684
United States	17,466	-	17,466
Other countries	29,309	-	29,309
	<b>6,802,247</b>	<b>1,883</b>	<b>6,804,130</b>

## 7.2 Composition of Revenue

	Nine month periods ended September 30,		Three month periods ended September 30,	
	2025	2024	2025	2024
<b>Revenue:</b>				
Products - domestic	12,221,548	8,098,822	4,371,863	3,134,260
Products - foreign	203,675	197,135	62,511	73,295
Services	1,655	1,919	652	526
Other	692	460	328	177
<b>Deductions:</b>				
Taxes on sales	(1,164,550)	(824,747)	(413,497)	(298,623)
State VAT incentives	323,379	186,633	119,579	73,368
Discounts	(805,589)	(669,421)	(334,985)	(236,843)
Other deductions	(273,467)	(186,671)	(117,295)	(63,498)
<b>Total</b>	<b>10,507,343</b>	<b>6,804,130</b>	<b>3,689,156</b>	<b>2,682,662</b>

Increase in Revenue is mainly due to increase in the coffee price in the market.

## Três Corações Alimentos S.A.

Notes to the condensed consolidated interim financial statements  
(In thousands of Brazilian Reals)



### 8 Financial expenses, net

	Nine month periods ended September 30,		Three month periods ended September 30,	
	2025	2024	2025	2024
<b>Finance expenses</b>				
Interest expenses	(10,140)	(2,340)	(4,366)	(993)
Interest on loans and borrowings (a)	(214,254)	(114,375)	(78,013)	(44,558)
Exchange rate effect	-	-	(927)	-
Interest on leasing	(8,804)	(8,517)	(3,031)	(3,028)
Other	(2,437)	(1,491)	577	(78)
	<u>(235,635)</u>	<u>(126,723)</u>	<u>(85,760)</u>	<u>(48,657)</u>
<b>Finance income</b>				
Interest income	12,074	12,268	4,177	2,853
Interest from deposits	38,214	25,821	16,717	5,101
Exchange rate effect	7,568	317	-	2,473
	<u>57,856</u>	<u>38,406</u>	<u>20,894</u>	<u>10,427</u>
<b>Finance expenses, net</b>	<u>(177,779)</u>	<u>(88,317)</u>	<u>(64,866)</u>	<u>(38,230)</u>

- (a) The increase is mainly due to higher interest expenses on loans and borrowings, an increase in interest income from deposits, and the higher interest rate (as the Selic rate reached 15% in September 2025, compared to 10.75% in September 2024).

\* \* \*

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Danísio Costa Lima Barbosa  
Chief Financial Officer

Anya Monteiro de Albuquerque  
Controlling and ESG Executive Manager  
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