



Strauss Group LTD.

Quarterly Report

as of March 31, 2026





Board of directors	Ofra Strauss, Executive Chairperson of the Board of Directors Shaul Kobrinsky, Deputy Chair of the Board of Directors Adi Strauss Galia Maor Dorit Salinger Dalia Lev Ravit Barniv Yaniv Garty Annette (Anat) Gabriel Smadar Barber-Tsadik Aviram Lahav
President and CEO	Shai Babad
Corporate Secretary	Yael Nevo, Adv.
Auditors	Somekh Chaikin KPMG
Registered office:	49 Hasivim St., Kiryat Matalon, Petach Tikva 4959504



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Introduction





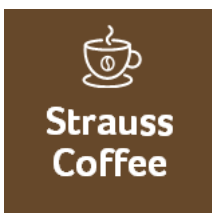
Company Profile

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 2025 were over NIS 12.5 billion. The Group is active in 11 countries and operates 26 production sites.

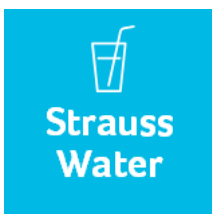
The Group’s areas of activity



The second-largest food and beverage group in Israel in terms of sales turnover (based on StoreNext data).¹Has approximately 12.3% of the total food and beverage market in Israel, operates 13 sites, including manufacturing facilities and logistics centers, and employs approximately 3,900 employees.



The Group’s coffee activity (including 100% of the activity of the Três Corações (JV) and the Israel Coffee activity (which is part of the “Fun & Indulgence Israel Coffee” segment)) made it the third largest player in the global retail market in terms of value market share (according to Euromonitor data for the 2025 annual period). The Group operates in Brazil, Russia, Ukraine, Poland, Romania, Germany, the Netherlands and Switzerland.

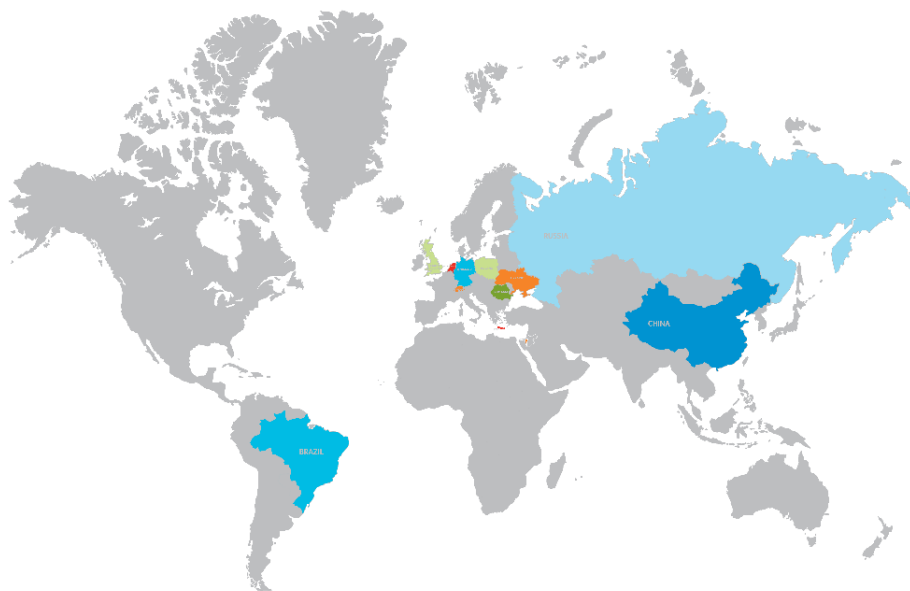


A leading international company specializing in high-quality purified drinking water solutions. The Group’s primary markets are Israel, China and the UK.

¹ Q1 2026 figures were adjusted for StoreNext’s updated calculations, which are current according to a report published on April 9, 2026.



Global presence



Israel



Holland

Brazil

Romania

Switzerland

Poland

Germany

Ukraine

Russia



Israel

China

UK

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 Q1 2026 Financial Performance

All financial information in this section is based on the Company's non-GAAP reports, comparison figures are for the corresponding quarter in 2025:

<p>3,001 NIS million Net sales</p>	<p>2.5% Growth excluding foreign currency effects</p>	<p>0.4% Total growth in sales</p>
<p>316 NIS million Operating profit</p>	<p>71.0% Change in operating profit (excluding foreign currency effects)</p>	<p>10.5% Operating profit margin</p>
<p>423 NIS million EBITDA</p>	<p>47.8% NIS million Change in EBITDA (excluding foreign currency effects)</p>	<p>14.1% EBITDA margin</p>
<p>181 NIS million Net income attributable to shareholders</p>	<p>126.1% Change in net income attributable to shareholders</p>	<p>NIS 1.55 Net income per share</p>
<p>147 NIS million CAPEX, net</p>	<p>-0.7% NIS million Change in CAPEX</p>	<p>4.9% % CAPEX, net of total sales</p>
<p>101 NIS million Cash-flow from operating activities</p>	<p>448 NIS million Change in cash-flow from operating activities</p>	
<p>-46 NIS million FFO</p>	<p>449 NIS million Change in FFO</p>	



Non-GAAP Financial Data for Q1 2026:

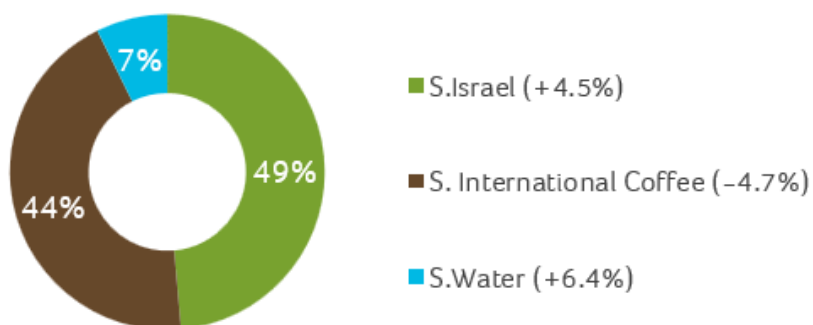
NIS million	Q1-2026	Q1-2025	Change	% change
Sales	3,001	2,990	11	0.4%
Growth excluding foreign currency effects	2.5%	20.9%		
Gross profit	957	781	176	22.6%
% of sales	31.9%	26.1%		
Total operating expenses	653	606	47	7.8%
Company's share in profits of equity-accounted investees	12	14	(2)	(18.5%)
Operating profit	316	189	127	67.9%
% of sales	10.5%	6.3%		
Financing expenses, net	(51)	(26)	(25)	94.1%
Profit before taxes on income	265	163	102	63.6%
Taxes on income	(59)	(57)		
Income for the period	206	106	100	96.0%
Income attributable to shareholders of the Company	181	81	100	126.1%
% of sales	6.0%	2.7%		
Income attributable to non-controlling interests	25	25	0	(1.1%)
EPS (NIS)	1.55	0.69	0.9	125.4%

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

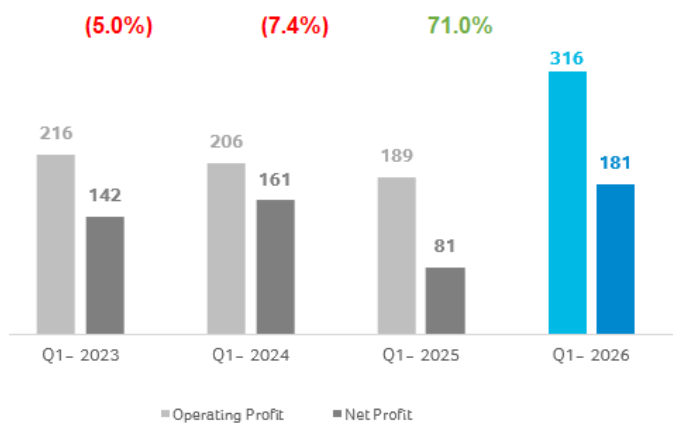


Segmentation of net sales in Q1 2026 and their growth rates by segment

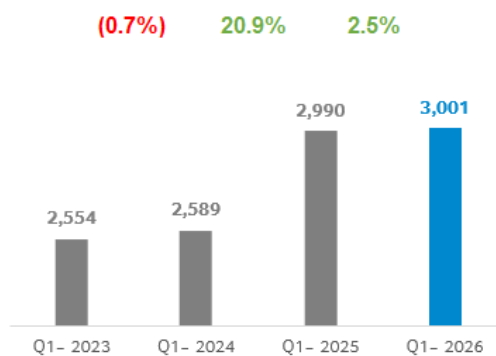
Net Sales Q1



Change in net and operating profit growth, excl. foreign currency effects



Operating profit growth excl. foreign currency effects



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

Definitions

The following defined terms shall have the subscribed meaning in all subsequent chapters:

“Strauss” / the “Company” / the “Corporation”	Strauss Group Ltd.
“Strauss Group” / the “Group”	Strauss Group Ltd. and companies controlled by it, including joint control.
“Strauss Holdings”	Strauss Holdings Ltd.
“Controlling shareholders”	For information, see section 1 in the Description of the Company’s Business Chapter in the Group’s Periodic Report
“Strauss International Coffee”	Strauss Coffee B.V.
“São Miguel”	São Miguel Holding e Investimentos S.A.
“Três Corações (JV)”	A joint venture in Brazil, held by the Group (50%) and by a local holding company, São Miguel Holding e Investimentos S.A.
“Danone”	Compagnie Gervais Danone S.A. of France.
“PepsiCo” / “PepsiCo, Inc.”	The North American multinational food, snack and beverage corporation.
“Haier”	Haier Group Corporation of China.
“HSW”	Qingdao HSW Health Water Appliance Co. Ltd.
“TASE”	The Tel Aviv Stock Exchange Ltd.
“Financial Statements”	The financial statements of the Company, as defined in section 5 of the Description of the Company’s Business Chapter in the Group’s Periodic Report
The “Non-GAAP Reports” / “Non-GAAP Management Reports”	The non-GAAP management reports of the Company, as defined in section 5 of the Description of the Company’s Business Chapter in the Group’s Periodic Report
The “Milk Law”	The Milk Sector Planning Law, 2011
The “Packaging Law”	Regulation of Processing of Packaging Law, 2011
The “Food Law”	Promotion of Competition in the Food Sector Law, 2014



"StoreNext"	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.
"Nielsen"	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.
"Euromonitor"	Euromonitor is a provider of strategic market research. The company creates data and analysis on products and services around the world.
"ICE"	Intercontinental Exchange (ICE) is a supplier of commodity market information, which generates and provides commodities analyses. https://www.theice.com/index
"Bloomberg"	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.
"Mintel"	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.
"USD" or the "Dollar"	United States Dollar



Strauss Group Ltd.

Update of the Description of the Company's Business





Unofficial Translation from Hebrew

Update of the Description of the Company's Business Chapter in the 2025 Annual Report of Strauss Group Ltd (hereinafter: the "Company")¹ (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 three months ended March 31, 2026 and through to the publication date of the report, in which respect 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 2025 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 4 of the Description of the Company's Business Report – Dividend Distribution

On March 24, 2026, the Company's Board of Directors approved the payment of a cash dividend to the shareholders of NIS 250 million for the 2025 annual period. For information on the dividend distribution, see the immediate report of March 25, 2026 (Ref. No: 2026-01-026732), the supplementary immediate report on the final dividend per share dated March 30, 2026 (Ref. No: 2026-01-029909) and also Note 4 to the Condensed Consolidated Interim Financial Statements of the Company as of March 31, 2026.

¹ As published on March 25, 2026 (Ref. No: 2026-01-026734).



Unofficial Translation from Hebrew

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

On March 31, 2026, S&P Global Ratings Maalot Ltd. (Maalot) ratings agency announced that it had affirmed the iAA+ rating of the Company and its debentures with a stable outlook. For further information, see the immediate report of March 31, 2026 (Ref. No: 2026-15-030895).

3. Section 20 of the Description of the Company's Business Report – Restrictions and oversight of the Group's operations

Further to the description in section 20.2.1(a) regarding the draft Dairy Sector Planning Regulations, on May 13, 2026, the Economic Affairs Committee of the Knesset approved the Dairy Sector Planning Regulations. The approved regulations regulate the control and supervision mechanisms applicable to dairies and grant the Dairy Board powers to address shortage situations, including the authority to order the transfer of raw milk between dairies for the purpose of producing price-controlled products, in the event of a material and ongoing shortage of such products, as defined in the regulations. The exercise of this authority is subject to procedural restrictions, including the obligation to provide written reasons, and is limited to a period not exceeding seven days, with the possibility of issuing such an instruction again, insofar as the conditions justifying its exercise continue to exist.

At this stage, there is no certainty as to how the regulations will be implemented in practice, if and to the extent that the legislative process is completed, the extent to which the powers prescribed therein will be used, and the degree of their possible effect on the Company's activity and business. Accordingly, as of the publication date of this report, the Company is unable to assess the full implications of the aforesaid regulations, to the extent that they are implemented in practice, on its activity and results.

The information set forth in this section regarding the possible effects of the Dairy Sector Planning Regulations, if and to the extent that the legislative process is completed, on the Company's activity and business, constitutes forward-looking information, as defined in the Securities Law, based on the information available to the Company as of the date of the report and including the Company's assessments, the actual realization of which is uncertain, inter alia due to the manner in which the regulations are implemented, regulatory decisions or market developments. The Company is monitoring the implementation of the regulations and is preparing accordingly based on the information available to it as of the date of this publication.



Unofficial Translation from Hebrew

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

For updates – see Note 6 to the Company's Condensed Consolidated Interim Financial Statements as of March 31, 2026.

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

On April 30, 2026, the Company's Annual and Extraordinary General Meeting approved, among other matters, the grant of a letter of indemnity undertaking to Ms. Smadar Barber-Tsadik, a director of the Company, in which the controlling shareholders may be deemed to have a personal interest, in the same form as that granted to the Company's other directors and senior officers. For additional details, see the Company's immediate report dated March 25, 2026 regarding the convening of the meeting (Ref. No. 2026-01-026796), and the Company's immediate report dated April 30, 2026 regarding the results of the meeting (Ref. No. 2026-01-040290), the information included in which is incorporated herein by reference.

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

For details regarding the holdings of interested parties and senior officers (including details of the treasury shares held by the Company) as of March 31, 2026, see the Company's immediate report dated April 26, 2026 (Ref. No. 2026-01-038020), the information included in which is incorporated herein by reference.



Unofficial Translation from Hebrew

7. Regulation 26 in the Additional Information Report – Directors of the Corporation

On April 30, 2026, the Annual and Extraordinary General Meeting of the Company's shareholders approved, among other matters, the reappointment of Ms. Ravit Barniv and Mr. Shaul Kobrinsky, who retire by rotation pursuant to the Company's Articles of Association, as directors of the Company, the appointment of a new external director, Mr. Aviram Lahav, and the appointment of a new director, Ms. Smadar Barber-Tsadik (whose appointment had been approved by the Company's Board of Directors pending approval by the meeting). For additional details, see the Company's immediate report dated March 25, 2026 regarding the convening of the meeting (Ref. No. 2026-01-026796), and the Company's immediate report dated April 30, 2026 regarding the results of the meeting (Ref. No. 2026-01-040290), the information included in which is incorporated herein by reference.

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

For details regarding the resolution of the Annual and Extraordinary General Meeting of the Company's shareholders held on April 30, 2026 concerning the grant of a letter of indemnity undertaking to a director of the Company, see Regulation 22 in section 5 above.

9. Regulation 29A in the Additional Information Report – Company Resolutions

For details regarding the Company's resolutions concerning the grant of a letter of indemnity undertaking to a director of the Company, see Regulation 29(c) in section 8 above.

Date: May 19, 2026

Names and titles of signatories:

Ofra Strauss, Chairperson of the Board of Directors

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 March 31, 2026



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

1. General

The Board of Directors of Strauss Group Ltd. (the “**Company**”) respectfully submits herewith the Board of Directors Report for Q1 2026, 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 Company's Business Affairs in the periodic report as of December 31, 2025, as published on March 25, 2026 (reference no. 2026-01-026734).

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

2.1. Overview of the operating segments in 2026

As of the publication date of the report, 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 March 31, 2026. 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).¹

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

¹ 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 March 31, 2026 as “other activity”.



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").

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

- In March 2026, the Group (through the joint venture Três Corações (JV)) entered into an agreement with entities of the international food group General Mills, Inc. (hereinafter jointly: the "Seller"), to acquire 100% of the rights in General Mills Brazil Alimentos Ltda., whose principal asset is 100% of the rights in Yoki Distribuidora de Alimentos Ltda. (hereinafter and hereinafter "Yoki"), in consideration for BRL 800 million (approximately NIS 475 million based on the exchange rate as of the signing date), on a cash-free, debt-free basis and subject to a normalized working capital adjustment, as agreed, as well as other customary adjustments and agreed reductions under the purchase agreement. Yoki is a leading food company in Brazil with a broad portfolio of products across dry food, snacks, cooking solutions and seasonings. It owns leading local brands in its categories, including "Yoki" and "Kitano". In addition, Yoki operates two manufacturing facilities and utilizes five third-party distribution centers in Brazil.

Entering into the aforementioned purchase agreement constitutes an implementation of the Group's business strategy to expand its operations in Brazil into new categories beyond roasted and ground coffee (R&G), both through organic growth and through mergers and acquisitions. Completion of the transaction is subject to the fulfillment of conditions precedent, including the receipt of approval from the Brazilian competition authority, receipt of audited financial statements for 2024, and other customary conditions. The Company estimates that the transaction is expected to be completed by the end of 2026, subject to the fulfillment of the conditions precedent as described above.

The information set forth in this section regarding the fulfillment of the conditions precedent, the expected completion of the transaction by the end of 2026, and the Company's estimates regarding the creation of synergies constitutes forward-looking information, as defined in the Israeli Securities Law. Such information is based on the Company's current assessments regarding the fulfillment of the conditions precedent and may not materialize, or may materialize differently, *inter alia*, if the actual implementation of the business plans differs from that currently anticipated by the Company as of the publication date of the report, as well as due to market conditions and other factors beyond the Company's control. For further information, see section 9.1.1 of the Description of the Company's Business Report for 2025 and the immediate report of March 17, 2026 (reference no. 2026-01-023426).



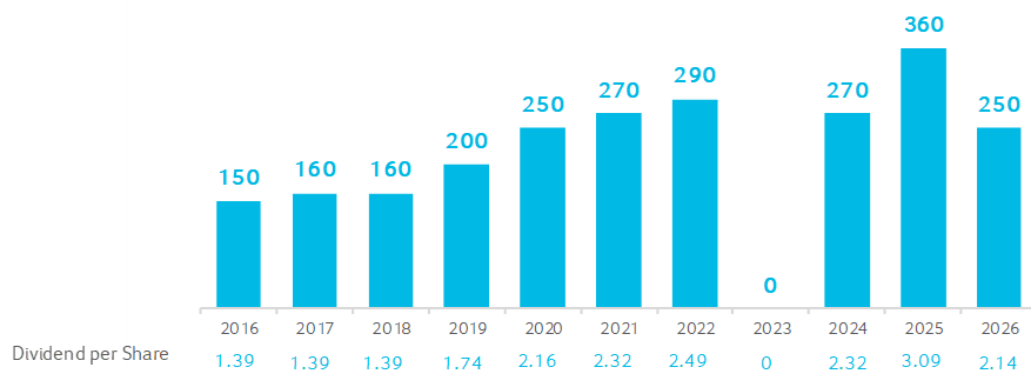
2.3. Dividends

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 2016 through to the publication date of the report, the Company has distributed dividends amounting to approximately NIS 2.4 billion.

The graph below presents the cumulative dividend payout over 2016-2026:

Annual Dividend Payouts Over 2016-2026



Figures are in NIS million.

On March 24, 2026, the Board of Directors approved the payment of a dividend to shareholders of NIS 250 million (approximately NIS 2.14 per share) for the 2025 annual period, which was paid on April 14, 2026.

The balance of retained earnings on the date of the statement of financial position as of March 31, 2026 is approximately NIS 4,135 million.

CHANGES IN THE ECONOMIC ENVIRONMENT

3. The “Swords of Iron” war, operation “Rising Lion” and operation “Roaring Lion”

The “Swords of Iron” war broke out on October 7, 2023 (the “**war**”), and in June 2025 Israel initiated operation “Rising Lion” (the “**operation**”) which protracted for approximately 12 days, and on February 28, 2026, Israel initiated operation “Roaring Lion” (the “**operation**”) against Iranian government targets which protracted for approximately 40 days. The operation also led to escalation with Hezbollah in Lebanon and as of the publication date of this report the fighting in Northern Israel is ongoing. During and subsequent to the reporting period, the State of Israel has been in various states of war with varying levels of intensity. The Company has nonetheless been operating business as usual. The war (and the operations) 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.

The Group continues to monitor developments in order to assess the effect of the operation on its activities. 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

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

Considering the evolving nature of 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 publication date of the report, it is unable to assess their future impact on its business results.

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. There were significant declines in the average market prices of cocoa and green coffee in Q1 2026.

According to Bloomberg, from the beginning of April 2026, until proximate to the publication date of the report, the prices of Robusta coffee and cocoa increased by approximately 3% and 22%, respectively, and the price of Arabica green coffee fell by approximately 5%.

The average price of raw milk decreased in Q1 2026 by approximately 1.3%, and increased by approximately 3.1% compared with the corresponding quarter the previous year. Since the beginning of April 2026 there was an approximately 0.7% decline in the price of raw milk, the impact of the change in the price of the raw material on the Company's cost of using the material is gradual due to the Group's procurement processes and coverage policy.

Presented below are the rates of change in the average market prices of major inputs, as well as the average market prices in Q1 2026 compared to the corresponding periods the previous year:

Inputs	Price as of		
	31.03.2026	31.12.2025	% change
Arabica ⁽¹⁾	298	349	(14%)
Robusta ⁽¹⁾	3,493	4,109	(15%)
Cocoa ⁽¹⁾	2,487	4,377	(43%)
Raw milk ⁽²⁾	2.47	2.51	(1%)

Inputs	Average price in the first three months		
	Q1-2026	Q1-2025	% change
Arabica ⁽¹⁾	317	376	(16%)
Robusta ⁽¹⁾	3,872	5,436	(29%)
Cocoa ⁽¹⁾	2,828	7,697	(63%)
Raw milk ⁽²⁾	2.47	2.40	3%

⁽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 Arabica and Robusta are denominated in USD, the price of cocoa is denominated in GBP, and the price of milk 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.



For additional information about the green coffee procurement processes see section 5 of the 2025 Annual Board of Directors report.

6. Energy prices

The average price of Brent oil in Q1 2026 increased by approximately 5% compared with the average price in the corresponding quarter the previous year. According to Bloomberg, from the beginning of 2026 through proximate to the publication date of the report, the price of oil has risen by approximately 80%.

7. Exchange rate fluctuations

The average exchange rate of the Shekel strengthened against most of the operating currencies, other than the Ruble, in Q1 2026, compared with the corresponding quarter the previous year. The appreciation of the Shekel resulted in a decline in the sales and operating profit line-items for the Group's foreign activity.

In Q1 2026, the Shekel strengthened based on closing prices against most currencies, but weakened against the Brazilian Real, and the total net impact resulted in an increase in the Group's equity.

In Q1 2026, the average USD exchange rate significantly weakened against most currencies other than the Hryvnia.

Presented below is a table with the average exchange rates against the Shekel in Q1 2026 compared with the corresponding period year-over-year:

Table of the Average Exchange Rates Against the Shekel				
Currency		Average exchange rate in Q1		% change
		2026	2025	
United States Dollar	USD	3.122	3.613	(13.6%)
Euro	EUR	3.655	3.801	(3.8%)
Ukrainian Hryvnia	UAH	0.072	0.087	(16.8%)
Russian Ruble	RUB	0.040	0.039	2.6%
Romanian Leu	RON	0.718	0.763	(6.0%)
Polish Zloty	PLN	0.864	0.904	(4.5%)
Brazilian Real	BRL	0.593	0.616	(3.8%)
Chinese Renminbi	CNY	0.451	0.497	(9.3%)
Pound Sterling	GBP	4.209	4.549	(7.5%)

Presented below is a table with the average exchange rates against the USD in Q1 2026 compared with the corresponding period year-over-year:

Table of the Average Exchange Rates Against the USD				
Currency		Average exchange rate in Q1		% change
		2026	2025	
Shekel	NIS	0.320	0.277	15.7%
Ukrainian Hryvnia	UAH	0.023	0.024	(3.7%)
Russian Ruble	RUB	0.013	0.011	18.7%
Romanian Leu	RON	0.230	0.211	8.8%
Polish Zloty	PLN	0.277	0.250	10.5%
Brazilian Real	BRL	0.190	0.171	11.4%
Chinese Renminbi	CNY	0.144	0.138	5.0%
Pound Sterling	GBP	1.348	1.259	7.0%

According to Bloomberg, from the beginning of 2026 until proximate to the publication date of the report, the Shekel strengthened against the USD, the Brazilian Real and the Russian Ruble by approximately 9%, 1% and 2%, respectively.

See section 7 of the 2025 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.

8. Inflation

According to the Israeli Central Bureau of Statistics, in Q1 2026 Israeli CPI increased by approximately 0.3% compared with approximately 1.1% in the corresponding quarter the previous year. The index rose by approximately 1.9% in the 12 month period ended in proximity to the publication date of the report.

According to Bloomberg, in Q1 2026, the US CPI rose by approximately 1.9%, compared with approximately 1.3% the previous year, and by approximately 3.8% over the last 12 months proximate to the publication of the report. In Brazil, the consumer price index rose by approximately 4.4% in the 12 month period ended in proximity to the publication of the report. In Russia, the consumer price index rose by approximately 5.6% in the 12 month period ended in proximity to the publication of the report.

Presented below are changes in the consumer price index in Q1 2026 compared with the corresponding period the previous year, as well as in the 12 month period ended in proximity to the publication of the report:

	Q1		Last 12 months
	2026	2025	
Israel	0.3%	1.1%	1.9%
USA	1.9%	1.3%	3.8%
Brazil	1.9%	2.1%	4.4%
Russia	3.0%	2.6%	5.6%

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.

9. Interest

On January 5, 2026, the Bank of Israel announced an interest rate cut of 0.25% to 4.0% which has remained unchanged proximate to the publication date of the report.

According to Bloomberg, as of proximate to the publication date of the report, the US Federal Reserve interest rate has remained unchanged at 3.5%-3.75%. In Brazil the central bank lowered interest from 15% to 14.5% which has remained unchanged proximate to the publication date of the report. In Russia the interest rate declined from 16% at the beginning of 2026 to 14.5% proximate to the publication date of the report.

Most of the Group's long-term loan liabilities bear fixed interest and are Shekel denominated. The rest are floating-rate loans, most of them denominated in Brazilian Real.

On January 30, 2026, Moody's rating agency announced Israel's credit rating, whereby it left the rating unchanged at Baa1, and raised the credit rating outlook from negative to stable.

On March 27, 2026, Fitch rating agency announced Israel's credit rating, as part of which it left the rating unchanged at A, with a negative outlook.

On May 8, 2026, S&P rating agency announced Israel's credit rating, as part of which it left the rating unchanged at A, with a stable outlook.

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 2025 (Discussion of Risk Factors).



OPERATING RESULTS

10. Operating Results

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)) and the salty snacks business in Israel (Strauss Frito-Lay Ltd.). 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 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 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 management (non-GAAP) reports) for the quarters ended March 31, 2026 and 2025 (in NIS million):

Condensed Operating Results				
	Q1			Explanation
	2026	2025	% change	
Sales ⁽¹⁾	3,001	2,990	0.4%	The increase is primarily attributable to higher volume and the improved sales mix. The increase was partially offset by the negative impact of exchange rates as well as a decline in sale prices in the International Coffee segment, consistent with the decline in green coffee prices, primarily in Brazil. For more information see section 14 below.
Growth excluding foreign currency effects	2.5%	20.9%		
Cost of sales	2,044	2,209	(7.5%)	The increase in gross profit and gross margin is largely due to the decline in green coffee prices and from recording cocoa commodity derivative losses in Q1 2025. The aforementioned increase was partially offset by an increase in manufacturing costs, primarily by the Strauss Israel activity.
Gross profit	957	781	22.6%	
% of sales	31.9%	26.1%		The change is largely due to an increase in marketing expenses by the Israel activity and the International Coffee activity.
Selling and marketing expenses	498	470	5.9%	
General and administrative expenses	155	136	13.3%	The change is primarily due to an increase in IT, depreciation and productivity plan consulting costs.
Total operating expenses	653	606		
Company's share in profits of equity-accounted investees	12	14	(18.5%)	The decline is attributable to a fall in HSW earnings, primarily due to investing in product development, marketing and improving sales channels activity.
Operating profit ⁽¹⁾ ⁽²⁾	316	189	67.9%	The increase in operating profit and operating margin is due to the improvement in gross profit as explained above, which was partially offset by higher marketing and general & administrative expenses.
% of sales	10.5%	6.3%		
Financing expenses, net	(51)	(26)	94.1%	The increase in financing expenses is mainly the result of higher expenses for the revaluation of foreign currency derivatives and currency differences.
Profit before taxes on income ⁽²⁾	265	163	63.6%	
Taxes on income	(59)	(57)	3.9%	The decline in the effective rate is due to the management decision to limit the scale of dividend distributions from the coffee companies, which impacted the recognition of deferred taxes.
Effective tax rate	22.3%	35.1%		
Profit for the period ⁽²⁾	206	106	96.0%	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.
Profit attributable to shareholders of the Company ⁽²⁾	181	81	126.1%	
% of sales	6.0%	2.7%		
Profit attributable to non-controlling interests	25	25	(1.1%)	
EPS (NIS)	1.55	0.69	125.4%	

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

1) 2026 comparison figures include the "Cafe Elite" chain activity which was sold in 2025. For details about the sale of the activity, see section 18.1 of the 2025 Annual Board of Directors Report. The Group's sales and operating profit in the 2025 annual period while neutralizing the activity as well as the impact of currency, as stated above, came to approximately NIS 2,882 million and NIS 187 million, respectively. Thus, the growth rate reflected in the Company's sales after neutralizing currency effects came to approximately 3.3%.

2) Beginning in Q1 2026, the Group's management determined that the incubator activity (TheKitchenHub) no longer constitutes a component of business activity that is regularly reviewed by management for the purpose of evaluating business performance or allocating resources. Therefore, this activity is not included in management reporting, and the comparative figures were restated in the amount of approximately NIS 6 million and NIS 8 million for the quarters ended March 31, 2026 and 2025, respectively.

Presented below are the condensed operating results (based on the management (non-GAAP) reports) for the major business segments for the quarters ended March 31, 2026 and 2025 (in NIS million):

Condensed Operating Results by Operating Segment			
	Q1		
	2026	2025	% change
Israel activity			
Net sales	1,459	1,396	4.5%
Cost of sales	934	947	(1.4%)
Operating profit	175	113	55.9%
International Coffee			
Net sales	1,322	1,388	(4.7%)
Cost of sales	996	1,155	(13.8%)
Operating profit	132	55	141.6%
Water			
Net sales	220	206	6.4%
Cost of sales	114	107	6.6%
Operating profit	17	26	(33.1%)
Other			
Operating loss *	(8)	(5)	78.7%
Total			
Net sales	3,001	2,990	0.4%
Cost of sales	2,044	2,209	(7.5%)
Operating profit *	316	189	67.9%

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

* Beginning in Q1 2026, the Group's management determined that the incubator activity (TheKitchenHub) no longer constitutes a component of business activity that is regularly reviewed by management for the purpose of evaluating business performance or allocating resources. Therefore, this activity is not included in management reporting, and the comparative figures were restated in the amount of approximately NIS 6 million and NIS 8 million for the quarters ended March 31, 2026 and 2025, respectively.



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

Breakdown of EBITDA by operating segment			
	Q1		
	2026	2025	% change
Strauss Israel	228	165	37.8%
Health & Wellness	116	112	2.9%
Fun & Indulgence (Snacks and Confectionery)	59	3	1782.6%
Fun & Indulgence (Israel Coffee)	53	50	5.7%
International Coffee	153	76	102.0%
Strauss Water	36	42	(12.2%)
Other *	6	7	(25.1%)
Total EBITDA *	423	290	45.6%

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

* Beginning in Q1 2026, the Group's management determined that the incubator activity no longer constitutes a component of business activity that is regularly reviewed by management for the purpose of evaluating business performance or allocating resources. Therefore, this activity is not included in management reporting, and the comparative figures were restated in the amount of approximately NIS 6 million and NIS 8 million for the quarters ended March 31, 2026 and 2025, respectively.

Presented below are the condensed financial accounting (GAAP) statements of income for the quarters ended March 31, 2026 and 2025 (in NIS million):

Condensed GAAP Statements of Income			
	Q1		
	2026	2025	% change
Sales	1,986	1,887	5.2%
Cost of sales excluding impact of commodity hedges	1,304	1,299	0.4%
Adjustments for commodity hedges ⁽¹⁾	31	(24)	
Cost of sales	1,335	1,275	4.7%
Gross profit	651	612	6.4%
% of sales	32.8%	32.4%	
Selling and marketing expenses	359	340	5.6%
General and administrative expenses	139	121	15.0%
Total operating expenses	498	461	8.0%
Share of income of equity-accounted investees	98	47	108.1%
Share in losses of equity-accounted incubator investees	(6)	(8)	(30.3%)
Net operating profit before other expenses	245	190	29.4%
% of sales	12.4%	10.1%	
Other expenses, net	-	(9)	
Net operating profit after other expenses	245	181	35.7%
Financing expenses, net	(41)	(13)	224.5%
Profit before taxes on income	204	168	21.4%
Taxes on income	(33)	(57)	(42.3%)
Effective tax rate	16.3%	34.2%	
Profit for the period	171	111	54.6%
Profit attributable to shareholders of the Company	146	86	70.7%
Profit attributable to non-controlling interests	25	25	(1.1%)

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

⁽¹⁾ 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.



11. Adjustments for the management (non-GAAP) reports

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 quarters ended March 31, 2026 and 2025 (in NIS million):

Adjustments from the GAAP report for the non-GAAP proportionate consolidation method report						
	Q1 2026			Q1 2025		
	Financial Statements	Change	Proportionate consolidation method	Financial Statements	Change	Proportionate consolidation method
Sales	1,986	1,015	3,001	1,887	1,103	2,990
Cost of sales excluding impact of commodity hedges	1,304	740	2,044	1,299	910	2,209
Adjustments for commodity hedges ⁽¹⁾	31	-	31	(24)	1	(23)
Cost of sales	1,335	740	2,075	1,275	911	2,186
Gross profit	651	275	926	612	192	804
% of sales	32.8%		30.9%	32.4%		26.9%
Selling and marketing expenses	359	139	498	340	130	470
General and administrative expenses	139	23	162	121	21	142
Company's share in profits of equity-accounted investees	98	(86)	12	47	(33)	14
Operating profit before incubator investee losses	251	27	278	198	8	206
Share in losses of equity-accounted incubator investees	(6)	-	(6)	(8)	-	(8)
Operating profit before other income (expenses)	245	27	272	190	8	198
% of sales	12.4%		9.1%	10.1%		6.6%
Other income (expenses), net	-	1	1	(9)	10	1
Operating profit after other revenues (expenses)	245	28	273	181	18	199
Financing expenses, net	(41)	(10)	(51)	(13)	(13)	(26)
Profit before taxes on income	204	18	222	168	5	173
Taxes on income	(33)	(18)	(51)	(57)	(5)	(62)
Effective tax rate	16.3%		23.0%	34.2%		36.1%
Profit for the period	171	-	171	111	-	111
Profit attributable to shareholders of the Company	146	-	146	86	-	86
Profit attributable to non-controlling interests	25	-	25	25	-	25

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

⁽¹⁾ 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			
	Q1		
	2026	2025	% change
Net operating profit (according to the proportionate consolidation method) after other income (expenses)	273	199	36.8%
Share-based payments	7	6	
Adjustments for commodity hedges ⁽¹⁾	31	(23)	
Other expenses, net	(1)	(1)	
Share in losses of equity-accounted incubator investees ⁽³⁾	6	8	
Operating profit ^{(2) (3)}	316	189	67.9%
Financing expenses, net	(51)	(26)	
Taxes on income	(51)	(62)	
Taxes in respect of adjustments to the above operating profit	(8)	5	
Profit for the period ⁽³⁾	206	106	96.0%
Profit attributable to shareholders of the Company ⁽³⁾	181	81	126.1%
Attributable to non-controlling interests	25	25	(1.1%)

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

⁽¹⁾ 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.

⁽²⁾ 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.

⁽³⁾ Beginning in Q1 2026, the Group's management determined that the incubator activity (TheKitchenHub) no longer constitutes a component of business activity that is regularly reviewed by management for the purpose of evaluating business performance or allocating resources. Therefore, this activity is not included in management reporting, and the comparative figures were restated in the amount of approximately NIS 6 million and NIS 8 million for the quarters ended March 31, 2026 and 2025, respectively.

12. Condensed statement of financial position

Presented below is the condensed financial accounting (GAAP) statement of financial position as of March 31, 2026 and December 31, 2025 (in NIS million):

Condensed GAAP Statement of Financial Position				
	As of March 31, 2026	As of December 31, 2025	% change	Explanation
Total current assets	3,739	3,097	20.8%	The increase is primarily due to an increase in cash and cash equivalents following the public issuance of debentures (through an expansion of Debentures Series F) as well as an increase in the balance of trade receivables consistent with the increase in sales.
Including: Cash and cash equivalents	1,047	535	95.6%	For information on the change in the cash and cash equivalents line-item, see section 19.2 below. According to Company policy, these assets are mainly held in liquid deposits.
Total non-current assets	5,938	5,719	3.9%	The change is largely due to an increase in investments in associates due investee profits and due to positive translation differences. It is also attributable to an increase in investments in fixed assets.
Total assets	9,677	8,816	9.8%	
Total current liabilities	3,334	2,998	11.3%	The change is primarily attributable to a dividend declared but not yet paid to Company shareholders and an increase in trade payables.
Total non-current liabilities	2,775	2,195	26.6%	The increase is primarily due to the public issuance of debentures (through an expansion of Debentures Series F) in January 2026.
Total equity attributable to majority shareholders	3,191	3,272	(2.5%)	The decline is largely due to a dividend declared for Company shareholders, which was partially offset by positive translation differences and income attributable to majority shareholders.
Total equity attributable to non-controlling shareholders	377	351	7.1%	The change is derived from profit attributable to non-controlling interests.

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



Presented below is the outstanding debt balance as of March 31, 2026 and December 31, 2025 (in NIS million):

Debt balance				
	As of March 31, 2026	As of December 31, 2025	Change	Explanation
Gross debt – non-GAAP reports	3,983	3,330	653	The increase in gross debt is primarily due to the public issuance of debentures (through an expansion of Debentures Series F) in January 2026.
Gross debt – financial accounting (GAAP) reports	3,185	2,628	557	
Net debt – non-GAAP reports	2,354	2,223	131	
Net debt – financial accounting (GAAP) reports	2,138	2,093	45	

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

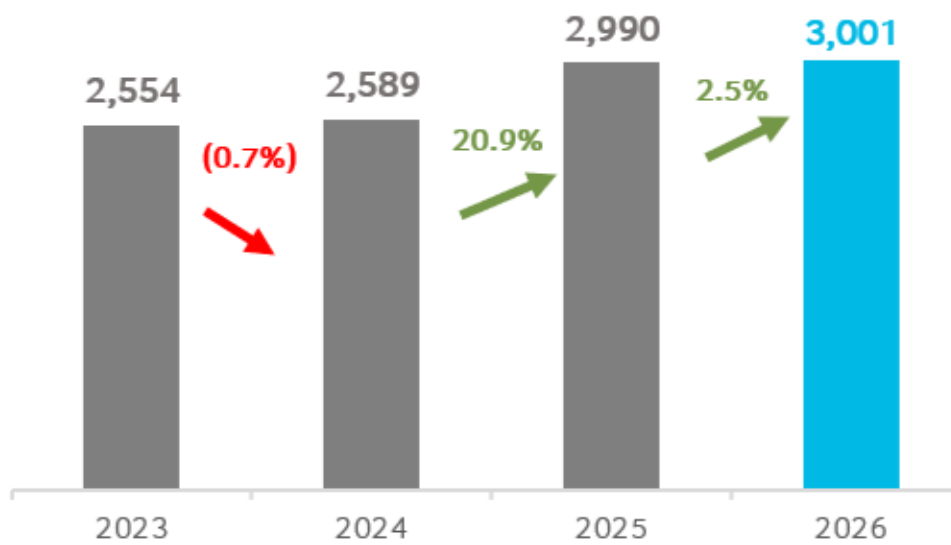


13. Key comparative financial data according to the non-GAAP reports

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

Net sales - Q1

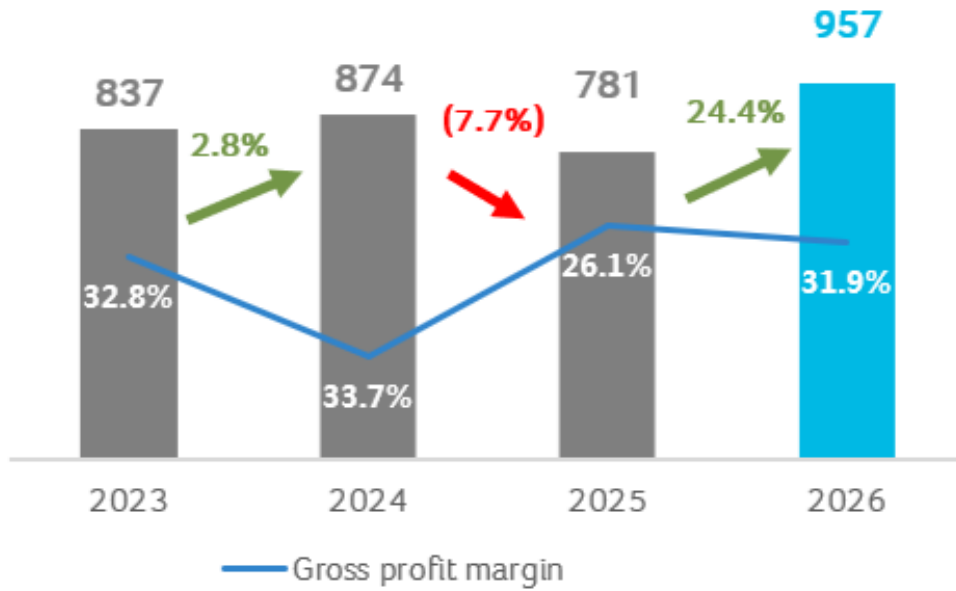
Growth excl. foreign currency effects



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

Gross profit and gross margin - Q1

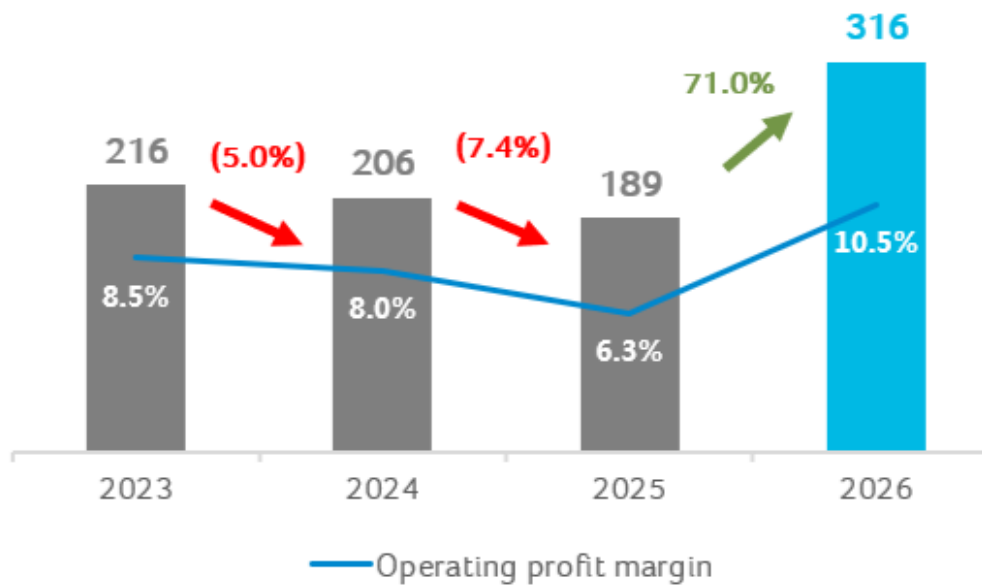
Growth excl. foreign currency effects



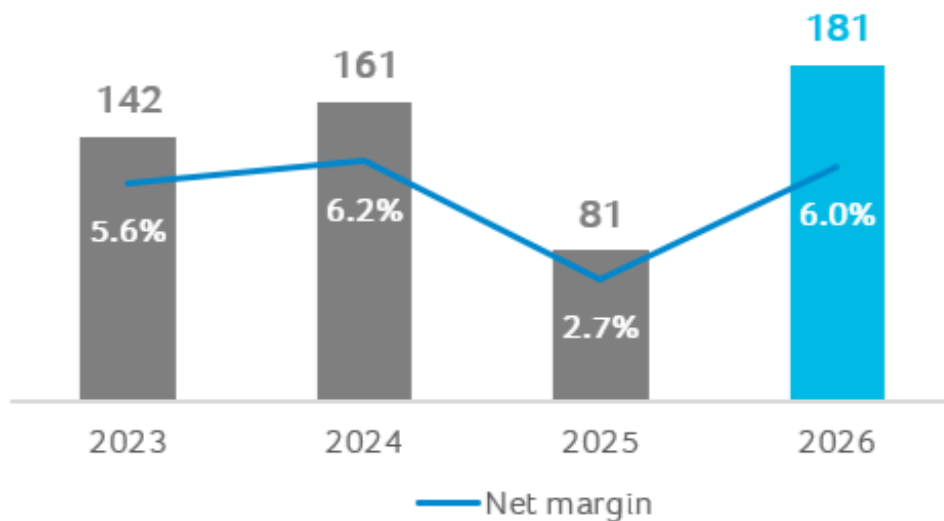
Financial data were rounded to NIS million. Percentage changes were calculated based on the exact figures in NIS thousands.

Operating profit and operating margin - Q1

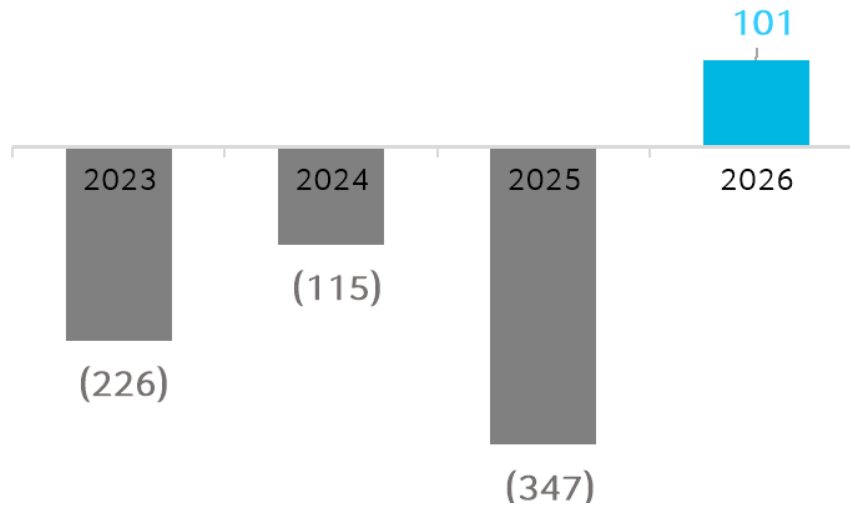
Growth excl. foreign currency effects



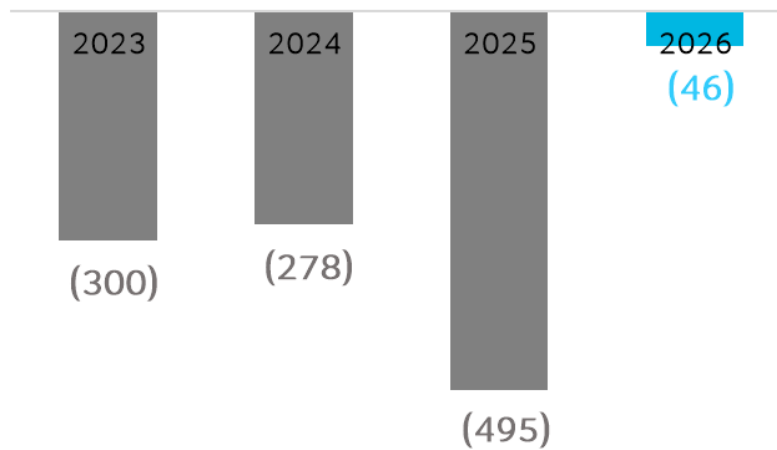
Net profit and net profit margin for shareholders - Q1



Cashflow from operating activities - Q1



Free cash flow - Q1

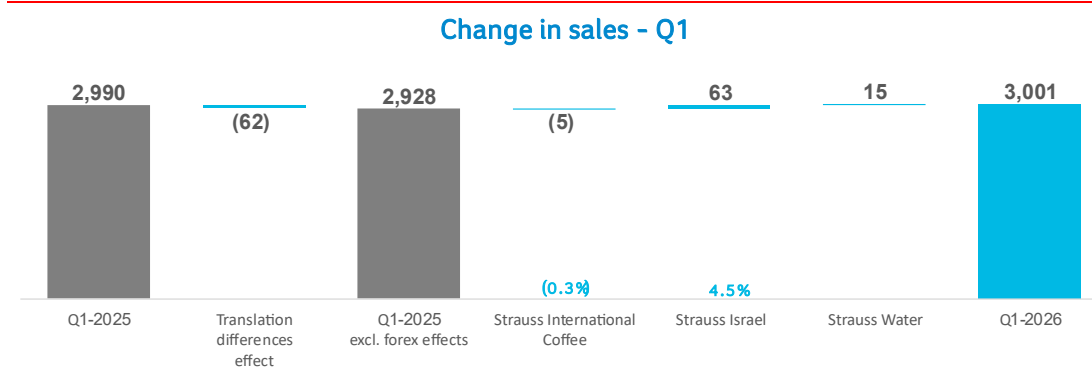


Financial data were rounded to NIS million. Percentage changes were calculated based on the exact figures in NIS thousands.



14. 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 million. Percentage changes were calculated based on the exact figures in NIS thousands.

The Group’s sales Q1 2026 were affected by negative translation differences mainly 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 18.1, 18.2 and 18.3 below.

15. Gross profit – non-GAAP

Gross profit – non-GAAP				
	Q1			
	2026	2025	% change	% change excluding effect of translation differences into NIS
Gross profit	957	781	22.6%	24.4%
Gross margin	31.9%	26.1%		

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

The Group's non-GAAP gross profit in Q1 2026 was negatively affected by exchange rates with the impact amounting to approximately NIS 11 million, 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.

For additional explanations regarding the change in the Group's gross profit, see sections 18.1, 18.2 and 18.3 below.



16. Operating profit – non-GAAP

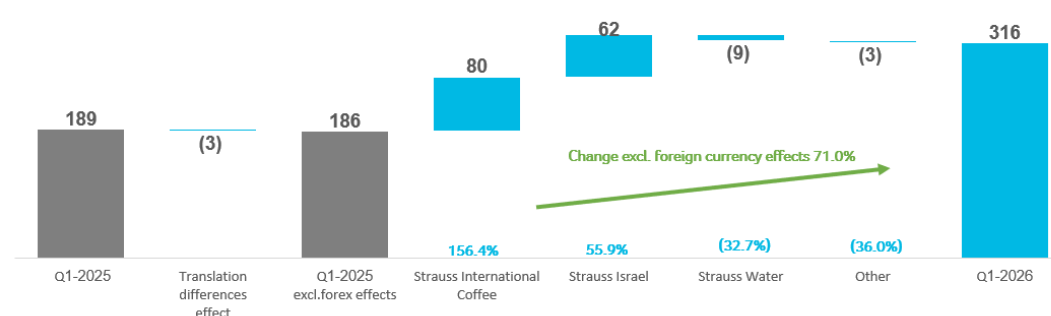
Operating profit – non-GAAP				
	Q1			
	2026	2025	% change	% change excluding effect of translation differences into NIS
Operating profit *	316	189	67.9%	71.0%
Operating margin	10.5%	6.3%		

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

* Beginning in Q1 2026, the Group's management determined that the incubator activity (TheKitchenHub) no longer constitutes a component of business activity that is regularly reviewed by management for the purpose of evaluating business performance or allocating resources. Therefore, this activity is not included in management reporting, and the comparative figures were restated in the amount of approximately NIS 6 million and NIS 8 million for the quarters ended March 31, 2026 and 2025, respectively.

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 – Q1



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

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

For additional explanations regarding the change in the Group's operating profit, see sections 18.1, 18.2 and 18.3 below.



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

Comprehensive GAAP income amounted to approximately NIS 186 million in Q1 2026, compared to comprehensive income of NIS 267 million in the corresponding period the previous year. In Q1 2026, profits from translation differences, which are the main component of other comprehensive income, totaled approximately NIS 15 million, compared to foreign currency translation gains of approximately NIS 156 million in the corresponding period the previous year.

18. Analysis of the results of the Group's major business units

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

Data on Strauss Group's Sales in Israel				
	Q1			Explanation
	2026	2025	% change	
The Group's sales in Israel	1,665	1,588	4.9%	The increase is primarily attributable to revised sale prices, higher volume and improved mix. Additionally, the Strauss Water activity also contributed to growth thanks to growth in the customer base and the product mix sold.

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



18.1. Israel Activity

Presented below are the condensed operating results, based on the management (non-GAAP) reports, for the Israel activity by segment for the quarters ended March 31, 2026 and 2025:

Condensed operating results - The Israel Activity				
	Q1			Explanation
	2026	2025	% change	
Net sales	1,459	1,396	4.5%	The increase in sales is attributable to revised sale prices (due to higher raw material prices), increased sales volume and improved sales mix.
Gross profit	525	449	17.1%	The improvement in gross margin is due to recording cocoa commodity derivative losses in Q1 2025, adjusted sale prices (due to the higher cost of raw materials), and the strengthening of the Shekel.
% gross profit	36.0%	32.2%		
Operating profit	175	113	55.9%	The improved operating margin is primarily attributable to the improved gross margin as stated above.
% operating profit	12.0%	8.1%		

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

Condensed results by segment

Condensed operating results - The Israel Activity by segment				
	Q1			Explanation
	2026	2025	% change	
Health & Wellness segment				
Net sales	775	742	4.4%	The increase in sales is due to growth in volume, along with a revision of sale prices following the government's decision to revise controlled product pricing. The increase in operating profit is due to higher sales as well as the implementation of productivity measures, which were partially offset by higher raw material prices, <i>inter alia</i> , raw milk, as well as higher manufacturing and marketing expenses. The decline in margin is due to higher manufacturing expenses and the marketing effort during the period.
Cost of sales	484	467	3.8%	
Operating profit	90	88	2.0%	
% operating profit	11.6%	11.9%		
Fun & Indulgence (Snacks and Confectionery) segment				
Net sales	428	394	8.5%	The increase in sales is attributable to revised sales prices due to increased raw material prices as well as growth in volume in the quarter. The increase in profit and margin is primarily due to recording a loss of NIS 49 million for cocoa commodity derivatives in Q1 2025, revision of sale prices (due to higher raw material costs) as well as the strengthening of the Shekel. The improvement in operating profit and margin was also seen when offsetting the aforementioned losses for cocoa derivatives.
Cost of sales	293	322	(9.0%)	
Operating profit (loss)	40	(16)		
% operating profit	9.5%	(4.2%)		
Fun & Indulgence (Israel Coffee) segment				
Net sales	256	260	(1.2%)	The decrease in sales was due to the sale of the Elite Coffee chain activity in 2025. Excluding the sale of the "Elite Coffee" chain activity, sales increased as a result of sales price updates implemented during 2025, as well as volume growth. The improvement in profit and margin was due to foreign exchange benefits and an improved product mix.
Cost of sales	157	158	(0.8%)	
Operating profit	45	41	9.7%	
% operating profit	17.5%	15.7%		

Financial data were rounded to NIS million. 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 23 of the Description of the Company's Business Report for 2025, in August 2025 the Group partially commenced production at the new plant to manufacture plant-based milk substitute products, which has since expanded to multiple products but not yet achieved full operation. 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 section 8.2.1 of the Description of the Company's Business Report for 2025.
- Following the government resolution of April 23, 2026 to increase the prices of price-controlled dairy products by up to 1.2% (the rate of the price increase to the retailer), the Group notified its customers that some of the prices of its dairy products will be updated accordingly by up to 1.2%, effective June 1, 2026.
- Further to Note 15.2 to the 2025 Annual Consolidated Financial Statements regarding supplier finance arrangements, as of March 31, 2026, trade payables included in the reverse factoring arrangement with the Israel activity amounted to approximately NIS 88 million (as of March 31, 2025: NIS 98 million).

18.2. International Coffee activity

According to Euromonitor data,¹ in 2025 the Group's coffee activity (including 100% of the activity of the Três Corações (JV) and the Israel Coffee activity (which is included in the Fun & Indulgence (Israel Coffee) segment) ranked as the third largest player in the global retail coffee market in terms of value market share, with approximately 2.8% of the global coffee market in terms of value in 2025.

For further information regarding the Group's activity in the International Coffee segment, see section 9.1.1 of the Description of the Company's Business Report for 2025.

Following several years of upward trend in Arabica and Robusta coffee prices (from 2021 through 2025), a moderate decline in coffee prices was observed during 2026. At this stage, the decrease has primarily impacted raw material costs and selling prices in Brazil. 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.

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

¹ Based on the Euromonitor data report published on November 17, 2025.



Further to Note 15.2 to the 2025 Annual Financial Statements regarding supplier finance arrangements, as of March 31, 2026, trade payables included in the supply chain financing program in the International Coffee activity amounted to approximately NIS 499 million (as of March 31, 2025: NIS 384 million).



Presented below are the condensed operating results, based on the management (non-GAAP) reports, of the International Coffee activity for the quarters ended March 31, 2026 and 2025 (in NIS million):

Condensed operating results - International Coffee activity				
	Q1			Explanation
	2026	2025	% change	
Net sales	1,322	1,388	(4.7%)	The decline in sales is primarily attributable to the impact of currency exchange rates, primarily the strengthening of the Shekel against the Brazilian Real relative to the corresponding period last year. For more information refer to "International Coffee activity sales by major geographical regions" in section 18.2.1 below.
Cost of sales	996	1,155	(13.8%)	The decrease in cost of sales is due to a decline in green coffee prices, primarily in Brazil.
Operating profit	132	55	141.6%	The increase in profit and operating margin is primarily attributable to a decline in green coffee prices and was partially offset by a decline in sale prices in Brazil and higher variable operating and marketing expenses.
% operating profit	10.0%	3.9%		

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

18.2.1. 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 quarters ended March 31, 2026 and 2025 (in NIS million):

International Coffee activity sales by major geographical regions					
Geographical region	Q1				Explanation
	2026	2025	% change	% change in local currency ⁽¹⁾	
Brazil - 50% of Três Corações ^{(2) (3)}	911	1,008	(9.6%)	(5.8%)	The decline in Três Corações's sales in local currency is largely due to lower sales prices following the decline in coffee prices. The Company's sales were adversely impacted by the strengthening of the Shekel against the Brazilian Real by approximately NIS 41 million. See section 18.2.2 below for more information.
Russia	151	132	14.6%	15.8%	Sales growth in local currency is primarily due to increased volume. The Company's sales were favorably affected by approximately NIS 1 million due to the weakening of the Shekel against the Russian Ruble.
Ukraine	43	43	1.3%	21.6%	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 7 million.
Poland	156	149	4.6%	10.7%	Sales growth in local currency is primarily due to revised sales prices. Sales were adversely impacted by the strengthening of the Shekel against the Polish Zloty, with the effect amounting to approximately NIS 8 million.
Romania	61	56	9.1%	16.3%	The growth in sales in local currency is largely due to revised sales prices which were 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 3 million.
Total International Coffee	1,322	1,388	(4.7%)	(0.3%)	

Financial data were rounded to NIS million. 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.



18.2.2. Três Corações Alimentos S.A. (JV) (Brazil)¹ – a joint venture between the Group (50%) and São Miguel Group (50%); (Data reflect Strauss International Coffee's share (50%))

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 million** (data reflect the Group's ownership interest (50%)):

Selected Financial Data on Três Corações (JV)'s Business				
	Q1			Explanation
	2026	2025	% change in local currency ⁽¹⁾	
Sales	1,546	1,641	(5.8%)	The decline in sales is largely the result of lower sales prices following the decline in green coffee prices.
Gross profit	373	246	51.4%	The growth in gross profit and margin is primarily due to lower green coffee prices which was partially offset by lower sale prices.
Gross margin	24.1%	15.0%		
Operating profit before other income/expenses	155	48	220.7%	The increase in operating profit and operating margin is primarily due to the increase in gross profit and was partially offset by increased marketing and variable operating expenses.
Operating margin	10.0%	2.9%		

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

¹ 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.



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

Selected Financial Data on Três Corações (JV)'s Business			
	Q1		
	2026	2025	% change
Sales	917	1,014	(9.6%)
Gross profit	221	152	45.2%
Operating profit before other income/expenses	92	30	206.7%

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

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

18.3. The Strauss Water activity

The Group is active in the drinking water market through Strauss Water Ltd., 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. The English business started in January 2023, is managed in collaboration with Culligan Group (49%) under the "Our Taap" brand which was launched in 2025 after the right of use license over the "Virgin Pure" brand ended. 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 2025. The Group has factoring arrangements with third parties for part of these payments and non-recourse factoring arrangements for water bar sales and service agreements. For further information, see Note 8.5 to the Consolidated Financial Statements as of December 31, 2025.

The Company is working to develop new products and to expand its product portfolio, such as a "shabbat" water bar designed for shabbat observant consumers launched in September 2025.



Presented below are the condensed operating results, based on the management (non-GAAP) reports, of Strauss Water for the quarters ended March 31, 2026 and 2025 (in NIS million):

Condensed operating results - The Strauss Water activity				
	Q1			Explanation
	2026	2025	% change	
Net sales	220	206	6.4%	The increase in sales is primarily attributable to growth in the customer base in Israel and the mix of products sold.
Cost of sales	114	107	6.6%	Most of the growth is attributable to an increase in device sales, and the mix of products sold.
Operating profit	17	26	(33.1%)	Operating profit and operating margin were adversely affected by Operation "Roaring Lion", as well as by the Company's investments in product development, marketing and the improvement of sales channels, and by the decrease in HSW's profit due to increased competition in the Chinese market. These effects were partially offset by higher sales and operational efficiencies.
% operating profit	7.8%	12.5%		

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

18.3.1. Results of Haier Strauss Water (HSW)¹

Presented below are selected financial data on HSW's business in RMB million (data presented below reflect 100%):

Condensed operating results - HSW				
RMB million	Q1			Explanation
	2026	2025	% change	
Sales	498	456	9.2%	The increase is primarily attributable to the improved sales mix and increased marketing effort.
Net profit	56	62	(9.5%)	The decline in net profit is primarily attributable to investments in product development, marketing and improving sales channels.

Financial data were rounded to CNY million. Percentage changes were calculated based on the exact figures.

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

Condensed operating results - HSW			
NIS million	Q1		
	2026	2025	% change
Sales	226	227	(0.5%)
Net profit	25	31	(18.5%)

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

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

¹ 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 2025.



18.4. Other activity

The Group has various other activities, which do not meet the quantitative threshold for disclosure in the financial statements as reportable segments or as aggregation criteria for separate presentation as reportable segments. These operations are included in the Company's Financial Statements as of December 31, 2025, as part of the "other activity" segment, and mainly include the Group headquarter activity.



LIQUIDITY, SOURCES OF FINANCE AND FINANCIAL POSITION

2,138

Net debt

3,185

Gross debt

iAA+

S&P Maalot rating
- Stable outlook

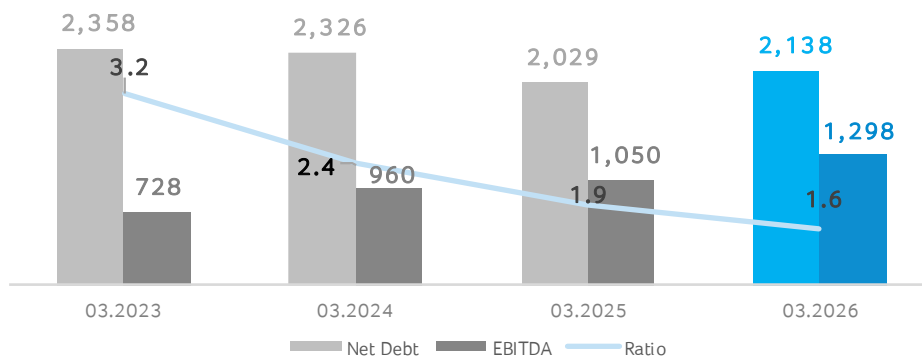
Aa1il

Midroog rating -
Stable outlook

4.46

Average life

Net debt-to-EBITDA ratio



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

The GAAP net debt-to-EBITDA ratio is lower than the corresponding period last year due to a marked improvement in operating profit.



19. Liquidity

19.1 Credit rating

On March 31, 2026, S&P Global Ratings Maalot Ltd. (Maalot) ratings agency announced that it had affirmed the iAA+ rating of the Company and its debentures with a stable outlook, for more information see the immediate report of March 31, 2026 (reference no. 2026-15-030985). 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 (reference no: 2025-01-042952).

In January 2026, the Company raised NIS 671.5 million of par value of debentures through an expansion of Series F. The issuance proceeds totaled approximately NIS 588 million, net of issuance costs, and it will be used by the Company to refinance existing debts and for its ongoing activity.

On January 21, 2026, S&P Global Ratings Maalot Ltd. (Maalot) ratings agency announced that it had given an iAA+ rating with a stable outlook for the issuance of debentures (Series F) through a series expansion of up to NIS 675 million par value, for further information, see the immediate report of January 21, 2026 (reference no: 2026-15-008446). On January 21, 2026, Midroog ratings agency announced that it 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 675 million par value, for further information, see the immediate report of January 21, 2026 (reference no: 2026-15-008505).¹

¹ To provide a full picture it should be noted that both rating reports of January 21, 2026, 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 675 million par value, rather than NIS 600 million par value which had been rated earlier.

19.2 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				
	Q1			Explanation
	2026	2025	Change	
Cash Flows from Operating Activities	157	(93)	250	The improvement was primarily due to a lower negative change in working capital compared with the corresponding period last year, as well as tax abatements and a decrease in interest payments.
Cash flows from investment activities	(134)	(105)	(29)	The change was primarily due to a change in deposits compared with the corresponding period last year and the receipt of dividends from investees.
Cash flows from financing activities	495	(502)	997	The change was primarily attributable to an increase in long-term credit resulting from the public issuance of debentures, by way of an expansion of Series F, in Q1 2026, compared with a net decrease in short-term credit and the payment of a dividend to shareholders in the corresponding period last year.

Financial data were rounded to NIS million.

19.3 Average credit levels

Presented below is information on average credit levels:

Average credit levels				
	Q1			Explanation
	2026	2025	Change	
Average long-term credit according to the management (non-GAAP) reports	3,679	3,139	540	The decline in the average short-term credit is primarily due to the net repayment of long-term bank loans and credit, an increase in the average scope of long-term credit is primarily due to the public issuance of debentures (expansion of Series F) in January 2026.
Average short-term credit according to the non-GAAP reports	95	244	(149)	
Average long-term credit according to the financial accounting (GAAP) reports	3,021	2,461	560	
Average short-term credit according to the financial accounting (GAAP) reports	20	207	(187)	

Financial data were rounded to NIS million.

19.4 Summary table of the Company's liabilities by maturity date

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

19.5 Working capital

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

Change in net working capital		
	Q1	
	2026	2025
Change in net working capital according to the financial accounting (GAAP) reports	(104)	(313)
Change in net working capital according to the management (non-GAAP) reports	(275)	(617)

Financial data were rounded to NIS million.

19.6 Customer and supplier financing arrangements

From time to time, the Group executes non-recourse factoring transactions on accounts receivable. The Group also participates in factoring arrangements, under which the Group's suppliers may sell the Group's obligations to the financing party. For further information, see sections 18.1 and 18.2 above and Notes 8.5 and 15.2 to the Consolidated Financial Statements as of December 31, 2025.

19.7 Additional information on liquidity and operating cash flow

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

Additional Information			
	As of March 31, 2026	As of March 31, 2025	As of December 31, 2025
Liquidity ratio	1.12	0.98	1.03
Liabilities in respect of long-term loans and credit (including current maturities)	3,185	2,402	2,558
Short-term credit (excluding current maturities)	-	63	70
Supplier credit	1,540	1,562	1,530
Ratio of equity attributable to shareholders of the Company to total assets on the consolidated statement of financial position	33.0%	35.9%	37.1%
Financial debt-to-EBITDA ratio	1.6	1.9	1.7
Equity attributed to the Company's shareholders	3,191	3,167	3,272

Financial data were rounded to NIS million.

20. 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 financial statements for Q1 2026, there is a working capital deficit of approximately NIS 333 million. In the Company's Consolidated Financial Statements for Q1 2026, there is a working capital surplus of approximately NIS 405 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 separate report, on May 19, 2026, 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 March 31, 2026, 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 2025.



21. Information on the Debenture Series

Presented below is financial information on the debenture series as of March 31, 2026:

Information on the Debenture Series			
	Series E Debentures	Series F Debentures	
A	Nominal par value	241	2,158
B	Carrying amount of debentures	241	1,949
C	Carrying amount of interest payable	2	10
D	Market value	240	1,891

Financial data were rounded to NIS million.

As of March 31, 2026, equity attributable to the Company's shareholders was NIS 3,191 million, the financial debt-to-EBITDA ratio according to the Financial Statements was 1.6, and the equity-to-assets ratio was 33.0%. As of March 31, 2026, the Company is compliant with the required covenants. For more information about the financial covenants under the debentures, see Note 18.5 to the Consolidated Financial Statements as of December 31, 2025.

ASPECTS OF CORPORATE GOVERNANCE

22. Sustainability, CSR, social investment and donations

For further information about the Group's purpose, see section 23 in the Description of the Company's Business Report for 2025.

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 in line with the international audit standard ISAE 3000, International Standard on Assurance Engagements. During the reporting period, the Group continued to conduct validation of its 2030 sustainability strategy and targets.

Highlights in Q1 2026:

Nutrition and a healthy lifestyle

In Q1 2026, we continued to implement our nutrition strategy, which includes the nutrition targets for 2025-2030, while developing and improving products and offering a variety of options for different consumer groups and nutritional needs. The Group also supported communications initiatives and promoted responsible marketing communications for products and balanced nutritional messaging.

Managing environmental impacts

In Q1 2026, about 7% of the energy at the Company's Israeli sites came from renewable sources. In addition, in Q1 2026, the Group continued to implement its plan to reduce waste sent to landfill, resulting in a 60% reduction in the amount of waste sent to landfill compared with the corresponding period last year.

In the area of wastewater treatment, the Group is continuing to formulate an upgrade plan for its wastewater facilities, in accordance with the master plans of the plants.



CSR and community relations

In Q1 2026, the Group continued to advance social initiatives connected to the core of its business, its employees and its communities, combining long-term strategic initiatives with rapid response during a period of emergency. During the quarter, the “New Taste for the North” program was launched - a joint initiative with the Rothschild Foundation to strengthen small and medium-sized food businesses in northern Israel, including professional training, mentoring by Company employees and the development of an entrepreneurial community. At the same time, volunteer and donation activities were advanced, including the packing of parcels for bereaved families and food donations ahead of Ramadan and Passover in cooperation with the “Latet” organization.

Throughout the “Roaring Lion” war, the Group operated a rapid response framework, which included a daily war room, product donations to forces in the field, communities and hospitals, the distribution of respite packages to families and senior citizens, and the distribution of giant games in protected spaces. In addition, the Group led an initiative called “A Taste of the North in the Center,” in which businesses from central Israel hosted businesses from the north and received broad exposure in cooperation with media organizations.

23. Aspects of corporate governance

As of the publication date of the report, the Board of Directors comprises eleven 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 Kobrinsky 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 2025 Periodic Report (reference no. 2026-01-026734), immediate report about the appointment of Ms. Smadar Barber-Tsadik of March 25, 2026 (reference no. 2026-01-026772) and the immediate report about the appointment of Mr. Aviram Lahav of April 30, 2026 (reference no. 2026-01-040294).



24. Effectiveness of internal control

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.

25. Events after the reporting period

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 March 31, 2026.

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

Ofra Strauss

Chairperson of the Board
of Directors

Shai Babad

President and CEO

May 19, 2026

Unofficial Translation from Hebrew



Strauss Group Ltd.

Financial Statements

As of March 31, 2026





**Condensed Consolidated Interim Financial Statements as of March 31, 2026
(Unaudited)**

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Review Report to the Shareholders of Strauss Group Ltd.

Introduction

We have reviewed the accompanying financial information of Strauss Group Ltd. and its consolidated subsidiaries (hereinafter – “the Company”) comprising of the condensed consolidated statement of financial position as of March 31, 2026 and the related condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the three-month period then ended. The Board of Directors and Management are responsible for the preparation and presentation of this interim financial information in accordance with IAS 34 “Interim Financial Reporting”, and are also responsible for the preparation of financial information for this interim period in accordance with Section D of the Securities Regulations (Periodic and Immediate Reports), 1970. Our responsibility is to express a conclusion on this interim financial information based on our review.

We did not review the condensed interim financial information of a certain consolidated subsidiary whose assets constitute 2.5% of the total consolidated assets as of March 31, 2026, and whose revenues constitute 7.4% of the total consolidated revenues for the three month period then ended. The condensed interim financial information of this company was reviewed by other auditors whose review report thereon was furnished to us, and our conclusion, insofar as it relates to the financial information of such company, is based solely on the said review report of the other auditors.

Scope of Review

We conducted our review in accordance with Standard on Review Engagements (Israel) 2410 of the Institute of Certified Public Accountants in Israel, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information 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 generally accepted auditing standards in Israel 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 and the review reports of other auditors, nothing has come to our attention that causes us to believe that the accompanying financial information was not prepared, in all material respects, in accordance with IAS 34.

In addition to that mentioned in the previous paragraph, based on our review and the review report of other auditors, nothing has come to our attention that causes us to believe that the accompanying interim financial information does not comply, in all material respects, with the disclosure requirements of Section D of the Securities Regulations (Periodic and Immediate Reports), 1970.

Somekh Chaikin
Certified Public Accountants

May 19, 2026



Condensed consolidated interim statements of financial position

	March 31 2026	March 31 2025	December 31 2025
	Unaudited	Unaudited	Audited
	NIS millions		
Current Assets			
Cash and cash equivalents	1,047	436	535
Customers	1,328	1,270	1,208
Income tax	23	11	28
Accounts and other receivables	231	234	225
Inventory	1,109	1,235	1,100
Assets held for sale	1	91	1
Total current assets	3,739	3,277	3,097
Investments and non-current assets			
Investment in equity-accounted investees	1,783	1,584	1,639
Other investments and long-term receivables	147	95	147
Fixed assets	2,585	2,403	2,536
Right-of-use assets	316	311	283
Intangible assets	1,073	1,112	1,087
Investment property	4	4	4
Deferred tax assets	30	35	23
Total investments and non-current assets	5,938	5,544	5,719
Total assets	9,677	8,821	8,816

Ofra Strauss

Chairperson of the Board of
Directors

Shai Babad

President and CEO

Tobi Fischbein

CFO

May 19, 2026

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)

	March 31 2026	March 31 2025	December 31 2025
	Unaudited	Unaudited	Audited
	NIS millions		
Current liabilities			
Current maturities of debentures	240	174	203
Short-term credit and current maturities of long-term loans and other long-term liabilities	229	401	297
Current maturities of lease liabilities	87	94	86
Trade payables	1,540	1,562	1,530
Income tax	220	134	163
Other accounts payable	741	690	694
Liabilities attributed to assets held for sale	-	94	-
Dividend payable	250	160	-
Provisions	27	27	25
Total current liabilities	3,334	3,336	2,998
Non-current liabilities			
Debentures	1,950	1,156	1,392
Long-term loans and other long-term liabilities	434	411	437
Lease liabilities	245	229	213
Long-term payables and credit balances	19	26	17
Employee benefits, net	29	29	29
Deferred tax liabilities	98	125	107
Total non-current liabilities	2,775	1,976	2,195
Equity and reserves			
Share capital	254	253	253
Share premium	1,051	1,051	1,051
Reserves	(2,249)	(2,036)	(2,264)
Retained earnings	4,135	3,899	4,232
Total equity attributable to shareholders of the	3,191	3,167	3,272
Non-controlling interests	377	342	351
Total equity	3,568	3,509	3,623
Total liabilities and equity	9,677	8,821	8,816

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



Condensed consolidated interim statements of income

	For the three-month period ended		For the year ended
	March 31 2026	March 31 2025	December 31 2025
	Unaudited		Audited
	NIS millions		
Sales	1,986	1,887	7,823
Cost of sales	1,335	1,275	5,322
Gross profit	651	612	2,501
Selling and marketing expenses	359	340	1,381
General and administrative expenses	139	121	547
	498	461	1,928
Share of income of equity-accounted investees	98	47	360
Share of loss of equity-accounted incubator investees	(6)	(8)	(46)
Operating profit before other income (expenses)	245	190	887
Other income	1	1	13
Other expenses	(1)	(10)	(63)
Other income (expenses), net	-	(9)	(50)
Operating profit	245	181	837
Financing income	10	29	20
Financing expenses	(51)	(42)	(204)
Financing expenses, net	(41)	(13)	(184)
Profit before taxes on income	204	168	653
Income tax expenses	(33)	(57)	(156)
Income for the period	171	111	497
Attributed to:			
Shareholders of the Company	146	86	404
Non-controlling interests	25	25	93
Income for the period	171	111	497
Earnings per share			
Basic earnings per share (in NIS)	1.25	0.74	3.47
Diluted earnings per share (in NIS)	1.24	0.74	3.46

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



Condensed consolidated interim statements of comprehensive income

	For the three-month period ended		For the year ended
	March 31 2026	March 31 2025	December 31 2025
	Unaudited		Audited
	NIS millions		
Income for the period	171	111	497
Other comprehensive income (loss) items reclassified to profit or loss in subsequent periods:			
Foreign currency translation differences	(31)	78	7
Other comprehensive income (loss) from equity-accounted investees	46	78	(80)
Total other comprehensive income (loss) items for the period that will be reclassified to profit or loss in subsequent periods, net	15	156	(73)
Other comprehensive income items not reclassified to profit or loss in subsequent periods, net:			
Comprehensive income for the period	186	267	424
Attributed to:			
Shareholders of the Company	161	242	332
Non-controlling interests	25	25	92
Comprehensive income for the period	186	267	424

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

Unofficial Translation from Hebrew

Strauss Group Ltd.



Condensed consolidated interim statements of changes in equity

	Attributable to shareholders of the Company								
	Share capital	Share premium	Treasury stock	Reserve for transactions with minority interest holders	Translation reserve NIS millions	Retained earnings	Total	Non-controlling interests	Total equity
For the three-month period ending on March 31, 2026 - unaudited:									
Balance as of January 1, 2026	253	1,051	(20)	(430)	(1,814)	4,232	3,272	351	3,623
Total comprehensive income for the period									
<i>Income for the period</i>	-	-	-	-	-	146	146	25	171
<i>Components of other comprehensive income (loss):</i>									
Foreign currency translation differences	-	-	-	-	(31)	-	(31)	-	(31)
Other comprehensive income from equity-accounted investees	-	-	-	-	46	-	46	-	46
Total other comprehensive income for the period, net	-	-	-	-	15	-	15	-	15
Total comprehensive income for the period	-	-	-	-	15	146	161	25	186
Warrants awarded to employees exercised into shares	1	-	-	-	-	-	1	-	1
Share-based payments	-	-	-	-	-	7	7	-	7
Transaction with non-controlling interests	-	-	-	-	-	-	-	1	1
Dividend to Company shareholders	-	-	-	-	-	(250)	(250)	-	(250)
Balance as of March 31, 2026	254	1,051	(20)	(430)	(1,799)	4,135	3,191	377	3,568

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

Unofficial Translation from Hebrew

Strauss Group Ltd.



Condensed statements of changes in equity (Cont'd)

	Attributable to shareholders of the Company							Non-controlling interests	Total equity
	Share capital	Share premium	Treasury stock	Reserve for transactions with minority interest holders	Translation reserve	Retained earnings	Total		
	NIS millions								
For the three-month period ending on March 31, 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									
<i>Income for the period</i>	-	-	-	-	-	86	86	25	111
<i>Components of other comprehensive income (loss):</i>									
Foreign currency translation differences	-	-	-	-	78	-	78	-	78
Other comprehensive income from equity-accounted investees	-	-	-	-	78	-	78	-	78
Total other comprehensive income for the period, net	-	-	-	-	156	-	156	-	156
Total comprehensive income for the period	-	-	-	-	156	86	242	25	267
Share-based payments	-	-	-	-	-	6	6	-	6
Dividend to Company shareholders	-	-	-	-	-	(360)	(360)	-	(360)
Balance as of March 31, 2025	253	1,051	(20)	(430)	(1,586)	3,899	3,167	342	3,509

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

Unofficial Translation from Hebrew

Strauss Group Ltd.



Condensed statements of changes in equity (Cont'd)

	Attributable to shareholders of the Company						Non-controlling interests	Total equity	
	Share capital	Share premium	Treasury stock	Reserve for transactions with minority interest holders	Translation reserve	Retained earnings			Total
	NIS millions								
For the year ended December 31, 2025 - audited:									
Balance as of January 1, 2025	253	1,051	(20)	(430)	(1,742)	4,167	3,279	317	3,596
Total comprehensive income (loss) for the year									
<i>Profit for the year</i>	-	-	-	-	-	404	404	93	497
<i>Components of other comprehensive income (loss):</i>									
Foreign currency translation differences	-	-	-	-	8	-	8	(1)	7
Other comprehensive loss from equity-accounted investees	-	-	-	-	(80)	-	(80)	-	(80)
Total other comprehensive income (loss) for the year, net	-	-	-	-	(72)	-	(72)	(1)	(73)
Total comprehensive income (loss) for the year	-	-	-	-	(72)	404	332	92	424
Share-based payments	-	-	-	-	-	21	21	-	21
Dividends distributed	-	-	-	-	-	(360)	(360)	-	(360)
Transactions with non-controlling interests	-	-	-	-	-	-	-	1	1
Dividend to non-controlling interests in subsidiaries	-	-	-	-	-	-	-	(59)	(59)
Balance as of December 31, 2025	<u>253</u>	<u>1,051</u>	<u>(20)</u>	<u>(430)</u>	<u>(1,814)</u>	<u>4,232</u>	<u>3,272</u>	<u>351</u>	<u>3,623</u>

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



Condensed consolidated interim statements of cash-flows

	For the three-month period ended		For the year ended
	March 31 2026	March 31 2025	December 31 2025
	Unaudited		Audited
	NIS millions		
Cash flows from operating activities			
Income for the period	171	111	497
Adjustments:			
Depreciation	70	71	281
Amortization of intangible assets and deferred expenses	21	17	72
Impairment of intangible assets and assets held for sale	-	2	35
Capital loss (gain), net, on sale of fixed assets, a subsidiary, business of a subsidiary and an equity-accounted investee	-	1	(7)
Expenses for share-based payments	7	6	21
Financing expenses, net	41	13	184
Income tax expenses	33	57	156
Share of income of equity-accounted investees	(92)	(39)	(314)
Change in inventory	(21)	(182)	(98)
Change in trade and other receivables	(131)	(75)	(37)
Change in long-term receivables	(1)	(34)	(90)
Change in trade and other payables	48	(22)	(24)
Change in employee benefits	1	-	1
Interest paid	(17)	(25)	(132)
Interest received	10	9	21
Income tax paid, net	17	(3)	(105)
Net cash deriving from (used in) operating activities	157	(93)	461
Cash flows from investment activities			
Proceeds from sale of fixed assets and intangible assets	1	-	3
Investment in fixed assets	(112)	(106)	(395)
Investment in intangible assets	(21)	(26)	(102)
Proceeds from sale of business by subsidiary	-	-	2
Repayment of deposits and loans granted	4	52	98
Repayment (provision) of short-term loans, net	-	(1)	2
Proceeds from sale of investments in non-consolidated companies	-	2	3
Grant of long-term loans and deposits	(17)	(25)	(73)
Taxes (paid) rebated on sale of investments in investees	1	-	(7)
Dividends from investees	18	-	50
Tax withholding at source for dividends	(2)	-	-
Investment in investee companies	(6)	(1)	(8)
Net cash used from investment activity	(134)	(105)	(427)

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



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

	For the three-month period ended		For the year ended on
	March 31 2026	March 31 2025	December 31 2025
	Unaudited		Audited
	NIS millions		
Cash flows from financing activities			
Short-term bank credit, net	(70)	(281)	(268)
Proceeds from issuance of debentures, net of issuance costs	588	-	461
Receipt of long-term loans	-	4	6
Redemption of debentures and repayment of long-term loans	(1)	-	(294)
Proceeds from the issuance of capital notes from non-controlling interests	2	-	5
Change in liabilities in respect of credit card factoring	4	3	16
Principal payments of lease liability	(25)	(28)	(107)
Dividends distributed	-	(200)	(360)
Dividends paid to non-controlling interests in a subsidiary	-	-	(59)
Tax withholding at source for dividends	(3)	-	3
Net cash deriving from (utilized for) financing activity	495	(502)	(597)
Increase (decrease) in cash and cash equivalents at beginning of period	518	(700)	(563)
Cash and cash equivalents at beginning of period	535	1,142	1,142
Effect of exchange rate volatility on cash balances	(6)	(6)	(44)
Cash and cash equivalents at end of	1,047	436	535

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 47.77% 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, 2025, 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 May 19, 2026.



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.

Note 3 - Operating Segments

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

	For the three-month period ended		For the year ended
	March 31 2026	March 31 2025	December 31 2025
	Unaudited		Audited
	NIS millions		
Income			
Sales to external customers:			
Health & Wellness	775	742	3,159
Fun & Indulgence (Snacks and Confectionery)	428	394	1,395
Fun & Indulgence (Israel Coffee)	256	260	903
Total Israel	1,459	1,396	5,457
International Coffee	1,322	1,388	6,155
Water	220	206	895
Sales to other segments:			
Health & Wellness	1	2	7
Fun & Indulgence (Snacks and Confectionery)	2	1	5
Fun & Indulgence (Israel Coffee)	-	-	2
Total Israel	3	3	14
International Coffee	-	2	4
Total segment income	3,004	2,995	12,525
Elimination of intersegment sales	(3)	(5)	(18)
Total segment income excluding intersegment sales	3,001	2,990	12,507
Adjustment to the equity method	(1,015)	(1,103)	(4,684)
Total consolidated income	1,986	1,887	7,823



Notes to the condensed consolidated interim financial statements (unaudited)

Note 3 - Operating Segments (Cont'd)

	For the three-month period ended		For the year ended
	March 31 2026	March 31 2025	December 31 2025
	Unaudited		Audited
	NIS millions		
Operating profit (loss)			
Health & Wellness	90	88	405
Fun & Indulgence (Snacks and Confectionery)	40	(16)	12
Fun & Indulgence (Israel Coffee)	45	41	113
Total Israel	175	113	530
International Coffee	132	55	493
Water	17	26	115
Other ⁽²⁾	(8)	(5)	(72)
Total segment profit	316	189	1,066
Unallocated income (expenses):			
Adjustments for commodity hedges ⁽¹⁾	(31)	23	15
Other income (expenses), net	1	1	(42)
Share-based payments	(7)	(6)	(21)
Share in losses of equity-accounted incubator investees ⁽²⁾	(6)	(8)	(46)
Total segment operating profit	273	199	972
Adjustment to the equity method	(28)	(18)	(135)
Total consolidated operating profit	245	181	837
Financing expenses, net	(41)	(13)	(184)
Profit before taxes on income	204	168	653

⁽¹⁾ 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.

⁽²⁾ Restated due to incubator activity.



NOTE 4 - Events During the Reporting Period

- 4.1** On March 24, 2026, the Company's Board of directors approved a dividend distribution to shareholders at an amount of NIS 250 million (approximately NIS 2.14 per share), which was paid on April 14, 2026.
- 4.2** On March 16, 2026, a material associate of the Group in Brazil, which is a joint venture held by Strauss Coffee B. V. (50%) and Sao Miguel FIP (50%) and accounted for using the equity method, entered into an agreement to acquire 100% of the rights in General Mills Brasil Alimentos Ltda., in consideration for BRL 800 million (approximately NIS 475 million based on the exchange rate as of the signing date), on a cash-free, debt-free basis and subject to a normalized working capital adjustment, as agreed, as well as other customary adjustments and agreed reductions under the purchase agreement. Completion of the transaction is subject to the fulfillment of customary conditions precedent, including the receipt of approval from the Brazilian competition authority. The purchase consideration is expected to be paid upon closing, and financed from the own resources of Tres Corações Alimentos S.A. The Company estimates that the transaction is expected to be completed by the end of 2026, subject to the fulfillment of the conditions precedent as described above.
- 4.3** 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. As of the approval date of the financial statements, 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 approval date of the financial statements, it is unable to assess their future impact on its business results.
- 4.4** On February 28, 2026, Israel and the United States launched a coordinated attack against Iranian government targets, referred to as operation "Roaring Lion" (hereinafter: the "**operation**"). Following the end of the reporting period, in the beginning of April 2026, a ceasefire agreement was entered into. As of the approval date of the financial statements and throughout the reporting period, the Company operated business as usual, 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.



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:

Grant date	No. of warrants and entitled employees	Fair value	Share price	Exercise price	Expected life	Annual standard deviation	Discount rate
		NIS millions	NIS	NIS	years	%	%
January 1, 2026	750,000 to the Group CEO	21	108.5	98.36	2.35-3.38	24.43-25.26	3.71-3.72

The manager's entitlement to exercise the warrants will vest in three equal tranches in each of the years 2026-2028. 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 20.6 to the Annual Financial Statements.

5.2 Warrants exercised in the reporting period

In the reporting period, 951,116 warrants granted to employees were exercised into 236,810 shares in consideration for their par value.



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, 2025, 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 21.1.2 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**”). On May 6, 2026, a motion was filed seeking leave to submit a response to the applicants’ reply, which was based on the summary of the independent committee’s report. The court is scheduled to hear the motions at the pre-trial hearing set for June 4, 2026.
- 6.3** Further to that stated in Note 21.1.3 to the Annual Financial Statements, regarding the submission 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 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 April 22, 2026, the court issued a judgment approving the settlement agreement in full, including the compensation amount and the parties’ recommendation regarding attorneys’ fees, award and expenses. Pursuant to the settlement agreement, the insurers will pay a total amount of NIS 30.5 million, of which NIS 27 million will be paid as compensation to the Company and NIS 3.5 million will be paid as an award, attorneys’ fees and reimbursement of expenses to the applicant and her counsel. In its judgment, the court held that the settlement agreement is reasonable and appropriate under the circumstances; serves the best interests of the Company and its shareholders; appropriately reflects the benefit to the Company embodied in the compensation amount to be received under the settlement agreement; and properly reflects the assessment of the risks and prospects of the proceeding and the advantage inherent in bringing the proceeding to an end. As a result, the Company is expected to recognize income from insurance indemnification in its financial results for Q2 2026. Unless an appeal is filed, the judgment is expected to become final on June 21, 2026.

Note 6 - Contingent Liabilities (Cont'd)

- 6.4** Further to that stated in Note 21.1.4 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 May 3, 2026, the Group filed a motion with the tribunal seeking a ruling on its application to submit additional evidence and to schedule a hearing date for the appeal. The Group emphasizes that it disputes the position of the Commissioner and believes that it acted lawfully with respect to all of the allegations raised against it. According to the Group’s legal advisors, the likelihood that the appeal - asserting that the Group did not violate the provisions of law - will be accepted is greater than the likelihood that it will be dismissed.
- 6.5** Further to that stated in Note 21.1.5 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. On April 15, 2026, the court again extended the stay of proceedings and instructed the parties to submit a status update by June 15, 2026.
- 6.6** 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 chances cannot be estimated amount to approximately NIS 2 million, at most.

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.		
	March 31		December 31	March 31		December 31
	2026	2025	2025	2026	2025	2025
	Unaudited		Audited	Unaudited		Audited
	NIS millions			NIS millions		
Current assets	3,544	2,882	3,334	835	976	846
Of which:						
Cash and cash equivalents	1,156	199	1,126	503	742	574
Non-current assets	1,232	1,280	1,171	217	244	225
Total assets	4,776	4,162	4,505	1,052	1,220	1,071
Current liabilities	2,181	1,506	1,892	397	534	448
Of which:						
Financial liabilities excluding trade payables, other payables and provisions	995	273	620	-	-	-
Non-current liabilities	1,074	1,290	1,265	6	5	6
Of which:						
Financial liabilities excluding trade payables, other payables and provisions	614	1,202	780	-	-	-
Total liabilities	3,255	2,797	3,157	403	539	454
Total net assets (100%)	1,521	1,365	1,348	649	681	617
Company's share of net	761	683	674	318	334	302
Other adjustments	289	91	265	73	84	73
Carrying amount of investment	1,050	774	939	391	418	375



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 three months ended		For the year ended	For the three months ended		For the year ended
	March 31	March 31	December 31	March 31	March 31	December 31
	2026	2025	2025	2026	2025	2025
	Unaudited		Audited	Unaudited		Audited
	NIS millions			NIS millions		
Income	1,834	2,029	8,703	226	227	928
Income for the period	142	34	541	27	32	80
Other comprehensive income (loss)	59	110	(36)	5	20	(75)
Total comprehensive income	201	144	505	32	52	6
Of which:						
Depreciation and amortization	23	22	90	4	4	17
Interest income	35	13	56	(2)	1	5
Interest expenses	52	43	129	-	1	6
Income tax expenses	(25)	-	(95)	(7)	(7)	(17)
Company's share in comprehensive income	101	72	252	16	25	2
Other adjustments	10	8	(7)	(1)	(1)	(4)
Share of comprehensive income (loss) presented in the books	111	80	245	15	24	(2)


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:

	Brazilian Real exchange rate		
	Closing exchange rate for the period	Average exchange rate for the period	% change based on closing exchange rate
For the three-month period ended:			
March 31, 2026	0.61	0.59	4.0%
March 31, 2025	0.64	0.62	8.9%
For the year ended December 31, 2025	0.58	0.62	(1.5%)

From the beginning of 2026 and as of the approval date of the financial statements, the Shekel has strengthened by approximately 1% 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:

	March 31, 2026		March 31, 2025		December 31, 2025	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
	Unaudited				Audited	
	NIS millions					
Series E Debentures	243	240	363	356	241	238
Series F Debentures	1,959	1,891	974	860	1,354	1,305

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).

	March 31, 2026			March 31, 2025			December 31, 2025		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
	Unaudited						Audited		
	NIS millions								
Financial assets (liabilities)									
Derivatives receivables	15	5	10	26	14	4	30	1	10
Derivatives payables	(36)	(10)	-	(19)	-	-	(38)	(11)	-
	<u>(21)*</u>	<u>(5)</u>	<u>10</u>	<u>7</u>	<u>14</u>	<u>4</u>	<u>(8)</u>	<u>(10)</u>	<u>10</u>

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 three month period ended March 31, 2026, the Company recorded a mark-to-market loss of approximately NIS 21.9 million on commodity (cocoa) derivatives (in the three month period ended March 31, 2025, the Company recorded a mark-to-market loss of approximately NIS 5.6 million on commodity (cocoa) derivatives). The Company has a net liability balance as of March 31, 2026, of approximately NIS 17.3 million related to said commodities, which is included within derivatives payable (as of March 31, 2025, the Company had a net asset of approximately NIS 1.5 million included within derivatives receivable).



Note 8 - Financial Instruments (cont'd)

8.3 Additional Information

On January 22, 2026, the Company issued NIS 671.5 million of debentures with a par value of NIS 1 as an expansion of Series F. The issuance proceeds totaled approximately NIS 588 million, net of issuance costs. Presented below are the terms and conditions of the issued debentures:

	Series F Expansion
Type of interest	Fixed
Annual interest rate	1.9%
Effective interest rate on listing date, taking issuance costs into account	~ 4.31%
Face value on issuance date	NIS 671.5 million
Linkage terms	Principal and interest are not linked to any index
Payment dates of principal	12 annual payments on June 30 of each year from 2026 through 2037. 2 payments of 5.56% each, and 10 subsequent payments of 8.89% each.
Payment dates of interest	Half-yearly interest on December 31 and June 30, from June 30, 2026 through to June 30, 2037.
Collateral or liens	N/A
Name of rating company	Midroog, Maalot
Rating on issuance date	Aa1.il; ilAA+

As of March 31, 2026, equity attributable to the Company's shareholders amounted to NIS 3,191 million, the financial debt-to-EBITDA ratio according to the financial statements was 1.6, and the equity-to-balance sheet ratio was 33.0%. As of March 31, 2026, the Company is in compliance with the required financial covenants. The financial covenants established for the expansion of Series F are identical to the financial covenants of Debentures Series F. For additional details see Note 18.5. to the Annual Financial Statements.

Unofficial Translation from Hebrew

Strauss Group Ltd.



Notes to the condensed consolidated interim financial statements (unaudited)

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.

Separate Financial Information As of March 31, 2026





Separate Financial Information as of March 31, 2026

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

03 684 8000

To:
The shareholders of Strauss Group Ltd.

Subject: Special auditors' report on separate interim financial information according to Regulation 38D of the Securities Regulations (Periodic and Immediate Reports) – 1970

Introduction

We have reviewed the separate interim financial information presented in accordance with Regulation 38D of the Securities Regulations (Periodic and Immediate Reports) – 1970 of Strauss Group Ltd. (hereinafter – the Company) as of March 31, 2026 and for the three month period then ended. The separate interim financial information is the responsibility of the Company's Board of Directors and of its Management. Our responsibility is to express a conclusion on the separate interim financial information based on our review.

We did not review the separate interim financial information of an investee company the investment in which amounted to NIS 200 million as of March 31, 2026, and the profit from this investee company amounted to NIS 5 million for the three month period then ended. The financial statements of this company were reviewed by other auditors whose review report thereon was furnished to us, and our conclusion, insofar as it relates to amounts emanating from the financial statements of such company, is based solely on the said review report of the other auditors.

Scope of Review

We conducted our review in accordance with Standard on Review Engagements (Israel) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" of the Institute of Certified Public Accountants in Israel. A review of separate interim financial information 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 generally accepted auditing standards in Israel 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 and the review report of other auditors, nothing has come to our attention that causes us to believe that the accompanying separate interim financial information was not prepared, in all material respects, in accordance with Regulation 38D of the Securities Regulations (Periodic and Immediate Reports) – 1970.

Somekh Chaikin
Certified Public Accountants

May 19, 2026

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

	<u>March 31</u> <u>2026</u>	<u>March 31</u> <u>2025</u>	<u>December 31</u> <u>2025</u>
	<u>Unaudited</u>	<u>Unaudited</u>	<u>Audited</u>
	<u>NIS millions</u>		
Current Assets			
Cash and cash equivalents	589	29	3
Customers	245	240	208
Accounts and other receivables	124	110	106
Investee receivables	171	107	148
Inventory	190	228	227
Total current assets	<u>1,319</u>	<u>714</u>	<u>692</u>
Investments and non-current assets			
Investment in investee companies	3,530	3,377	3,323
Other investments and long-term receivables	565	518	568
Deferred tax assets	2	-	-
Right-of-use assets	209	217	191
Fixed assets	1,153	1,085	1,127
Investment property	3	3	3
Intangible assets	201	187	204
Total investments and non-current assets	<u>5,663</u>	<u>5,387</u>	<u>5,416</u>
Total assets	<u><u>6,982</u></u>	<u><u>6,101</u></u>	<u><u>6,108</u></u>

Ofra Strauss

Chairperson of the Board of
Directors

Shai Babad

President and CEO

Tobi Fischbein

CFO

May 19, 2026

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)

	March 31 2026 Unaudited	March 31 2025 Unaudited	December 31 2025 Audited
	NIS millions		
Current liabilities			
Current maturities of debentures	240	174	203
Short-term credit and current maturities of long-term loans and other long-term liabilities	-	28	52
Current maturities of lease liabilities	46	52	44
Trade payables	315	298	297
Income tax	181	102	123
Other accounts payable	321	254	266
Investee payables	299	497	283
Dividend payable	250	160	-
Total current liabilities	1,652	1,565	1,268
Non-current liabilities			
Debentures	1,950	1,156	1,392
Lease liabilities	172	172	156
Long-term payables and credit balances	3	13	-
Employee benefits, net	14	13	14
Deferred tax liabilities	-	15	6
Total non-current liabilities	2,139	1,369	1,568
Total equity attributable to shareholders of the	3,191	3,167	3,272
Total liabilities and equity	6,982	6,101	6,108

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 three-month period ended		For the year ended
	March 31	March 31	December 31
	2026	2025	2025
	Unaudited		Audited
	NIS millions		
Sales	331	311	1,141
Cost of sales	264	247	936
Gross profit	67	64	205
Selling and marketing expenses	49	42	159
General and administrative expenses	40	30	174
	89	72	333
Operating loss before other income (expenses)	(22)	(8)	(128)
Other income	-	-	7
Other expenses	-	(5)	(15)
Other expenses, net	-	(5)	(8)
Operating loss	(22)	(13)	(136)
Financing income	8	6	5
Financing expenses	(31)	(22)	(108)
Financing expenses, net	(23)	(16)	(103)
Loss before taxes on income	(45)	(29)	(239)
Tax income (expense)	6	(15)	(8)
Loss after income tax	(39)	(44)	(247)
Income from investees	185	130	651
Income for the period attributable to shareholders of the Company	146	86	404

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

	For the three-month period ended		For the year ended
	March 31 2026	March 31 2025	December 31 2025
	Unaudited		Audited
	NIS millions		
Income for the period attributable to shareholders of the Company	146	86	404
Other comprehensive income (loss) items reclassified to profit or loss in subsequent periods:			
Other comprehensive income (loss) from investees	15	156	(72)
Total other comprehensive income (loss) items for the period that will be reclassified to profit or loss in subsequent periods, net	15	156	(72)
Total other comprehensive income (loss) items not reclassified to profit or loss in subsequent periods, net of tax	-	-	-
Comprehensive income for the period attributable to shareholders of the Company	161	242	332

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 three-month period ended		For the year ended
	March 31	March 31	December 31
	2026	2025	2025
	Unaudited		Audited
NIS millions			
Cash flows from operating activities			
Income for the period attributable to shareholders of the Company	146	86	404
Adjustments:			
Depreciation	32	31	128
Amortization of intangible assets	10	9	36
Net capital loss, impairment and sale of fixed assets	-	2	-
Other expenses, net	-	-	1
Expenses for share-based payments	6	4	16
Income from investees	(185)	(130)	(651)
Financing expenses, net	23	16	103
Income tax expenses (income)	(6)	15	8
Change in inventory	37	(49)	(48)
Change in trade and other receivables	(28)	12	3
Change in investee receivables	(12)	(17)	(10)
Change in trade payables, other payables and provisions	56	(50)	(74)
Change in investee payables	16	51	(52)
Change in employee benefits	1	-	1
Interest paid	(9)	(8)	(58)
Interest received	7	2	2
Income tax received (paid), net	46	9	(28)
Net cash deriving from (used in) operating activities	140	(17)	(219)
Cash flows from investment activities			
Proceeds from sale of fixed assets	2	4	5
Investment in fixed assets	(45)	(27)	(119)
Investment in intangible assets	(13)	(17)	(65)
Repayment of long-term loans granted and deposits	3	50	92
Grant of long-term loans and deposits	(17)	(24)	(68)
Dividends from investees	-	535	888
Cash received in respect of investing activities with investees	-	2	2
Cash paid in respect of investing activities with investees	(6)	-	(13)
Net cash derived from (used in) investing activities	(76)	523	722
Cash flows from financing activities			
Redemption of debentures and repayment of long-term loans	-	-	(306)
Proceeds from issuance of debentures, net of issuance costs	588	-	461
Short-term bank credit, net	(52)	(294)	(270)
Dividends distributed	-	(200)	(360)
Repayment of principal of lease liabilities	(14)	(14)	(56)
Net cash utilized for (deriving from) financing activities	522	(508)	(531)
Net increase (decrease) in cash and cash equivalents	586	(2)	(28)
Cash and cash equivalents at beginning of period	3	31	31
Cash and cash equivalents at end of period	589	29	3

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



Additional information

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, 2025, and jointly with the condensed consolidated interim financial statements as of March 31, 2026 (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, 2025.

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, 2025, and as presented in Note 1 to the Condensed Consolidated Interim Financial Statements as of March 31, 2026.

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

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.

Note 5 – Contingent Liabilities

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

Additional information

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

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



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 Annual Report on the Effectiveness of Internal Control over Financial Reporting and Disclosure, which was attached to the Periodic Report for the period ended December 31, 2025 (hereinafter: the



“Latest Annual Report on Internal Control”), the Board of Directors and Management of the corporation reached the conclusion that internal control as of December 31, 2025 is effective.

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

As at the reporting date, based on the evaluation of the effectiveness of internal control in the Latest Annual 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 first quarter of 2026 (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 Annual Report as at December 31, 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.

May 19, 2026

Shai Babad, President & Chief Executive Officer

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

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 first quarter of 2026 (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 Annual Report as at December 31, 2025) and the date of the Reports, which I estimate 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.

May 19, 2026

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





Três Corações Alimentos S.A.

Condensed consolidated interim financial
statements as of and for the three month
period ended March 31, 2026

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Independent auditors' report on review of condensed consolidated interim financial statements

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

Introduction

We have reviewed the accompanying March 31, 2026 Condensed Consolidated Interim Statements of Financial Position of Três Corações Alimentos S.A. ("the Company"), which comprises:

- the condensed consolidated interim statement of financial position as at March 31, 2026;
- the condensed consolidated interim statements of Income and other comprehensive income for the three-month periods ended March 31, 2026;
- the condensed consolidated interim statements of changes in equity for the three-month period ended March 31, 2026;
- the condensed consolidated interim statements of cash flows for the three-month period ended March 31, 2026; and
- notes to the condensed consolidated interim financial statements.

Management is responsible for the preparation and presentation of these 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 information 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 Information Performed by the Independent Auditor of the Entity". A review of interim financial information 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 March 31, 2026 is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

Fortaleza, May 13, 2026

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

A handwritten signature in blue ink, appearing to read 'P. Barroso Silva Júnior', written over a faint grid background.

Pedro Barroso Silva Júnior
Contador CRC CE 021967/O 5

Três Corações Alimentos S.A.

Condensed Consolidated Interim Statements of Financial Position as of March 31, 2026 and December 31, 2025

(In thousand of Brazilian Reals)



Assets	Note	2026	2025	Liabilities and equity	Note	2026	2025
Current				Current			
Cash and cash equivalents	4	1,910,478	1,934,322	Loans and borrowings	4	1,607,399	1,023,315
Deposits		17	-	Trade payables		1,619,882	1,939,216
Trade receivables		1,816,860	1,492,253	Lease liabilities		36,411	41,812
Inventories		1,922,365	2,115,908	Income tax payables		8,574	8,053
Recoverable taxes		121,404	103,720	Employees and other payroll related liabilities		122,931	137,765
Income tax receivable		38,301	41,682	Proposed dividends		84,698	-
Other assets		45,767	41,803	Interest on equity payable		33,855	-
		<u>5,855,192</u>	<u>5,729,688</u>	Payable taxes		47,098	64,189
				Other liabilities		41,326	37,669
						<u>3,602,174</u>	<u>3,252,019</u>
Non-current				Non-current			
Trade receivables		920	920	Loans and borrowings	4	974,026	1,292,947
Judicial deposits		10,423	9,803	Lease liabilities		40,686	46,917
Recoverable taxes		248,887	229,053	Other liabilities		20,989	24,123
Income tax receivable		20,180	21,516	Provision for legal proceedings		79,231	76,574
Other assets		100,892	92,759	Proposed dividends		522,277	604,164
Deferred tax assets		47,049	58,063	Interest on equity payable		137,608	128,575
Equity-accounted investees		122,581	114,259			<u>1,774,817</u>	<u>2,173,300</u>
Property, plant and equipment		963,088	953,331				
Intangible assets and goodwill		449,940	449,972	Equity			
Right-of-use assets		70,634	81,776	Share capital		1,165,400	1,165,400
		<u>2,034,594</u>	<u>2,011,452</u>	Reserves		1,035,016	1,030,336
				Retained earnings		312,379	120,085
						<u>2,512,795</u>	<u>2,315,821</u>
Total assets		<u>7,889,786</u>	<u>7,741,140</u>	Total Equity		<u>2,512,795</u>	<u>2,315,821</u>
				Total liabilities and equity		<u>7,889,786</u>	<u>7,741,140</u>

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

Três Corações Alimentos S.A.

Condensed Consolidated Interim Statements of Income
Three month periods ended March 31, 2026 and 2025
(In thousand of Brazilian Reais)



		Three months period ended March 31,	
	Note	2026	2025
Revenue	7	3,091,850	3,281,654
Cost of sales	8	(2,346,026)	(2,789,055)
Gross profit		745,824	492,599
Selling and marketing expenses		(378,414)	(332,951)
General and administrative expenses		(64,693)	(62,942)
Allowance for expected credit losses		(1,881)	(3,814)
Share of profit of equity-accounted investees, net of tax		8,322	3,516
Operating profit before other income (expenses)		309,158	96,408
Other income (expenses), net		2,957	3,217
Operating profit		312,115	99,625
Financial costs		(87,985)	(70,628)
Financial income		56,539	25,993
Net finance costs		(31,446)	(44,635)
Profit before tax		280,669	54,990
Income tax	9	(41,375)	663
Profit for the period		239,294	55,653
Profit attributable to:			
Owners of the Company		239,294	55,653
Non-controlling interests		-	-
Total profit for the period		239,294	55,653

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

Três Corações Alimentos S.A.

Condensed Consolidated Interim Statements of Comprehensive Income

Three month periods ended March 31, 2026 and 2025

(In thousand of Brazilian Reals)



	Three months period ended March 31,	
	2026	2025
Profit attributable to:	239,294	55,653
Items that are or may be reclassified subsequently to profit or loss		
Foreign operations - foreign currency translation differences	4,680	723
Comprehensive income for the period	243,974	56,376
Comprehensive income attributable to:		
Owners of the Company	243,974	56,376
Non-controlling interests	-	-
Total comprehensive income for the period	243,974	56,376

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

Três Corações Alimentos S.A.

Condensed Consolidated Interim Statements of Changes in Equity

Three month periods ended March 31, 2026 and 2025

(In thousand of Brazilian Reals)



	Note	Reserves				Retained earnings	Accumulated profit	Total	Non- controlling interests	Total Equity
		Share capital	Legal reserve	Tax incentives	Translation reserve					
Balance as of January 1, 2025		276,464	55,293	793,580	(239,060)	1,180,860	-	2,067,137	-	2,067,137
Profit for the period		-	-	-	-	-	55,653	55,653	-	55,653
Other comprehensive loss:										
Foreign currency translation differences		-	-	-	723	-	-	723	-	723
Total other comprehensive gain (loss):		-	-	-	723	-	55,653	56,376	-	56,376
Internal equity changes										
Change in interest in equity-accounted investees		-	-	-	-	(1,525)	-	(1,525)	-	(1,525)
Reserve for profit to be distributed		-	-	-	-	55,653	(55,653)	-	-	-
		-	-	-	-	54,128	(55,653)	(1,525)	-	(1,525)
Balance as of March 31, 2025		276,464	55,293	793,580	(238,337)	1,234,988	-	2,121,988	-	2,121,988
Balance as of December 31, 2025		1,165,400	100,047	1,160,274	(229,985)	120,085	-	2,315,821	-	2,315,821
Profit for the period		-	-	-	-	-	239,294	239,294	-	239,294
Other comprehensive loss:										
Foreign currency translation differences		-	-	-	4,680	-	-	4,680	-	4,680
Total other comprehensive gain (loss):		1,165,400	100,047	1,160,274	(225,305)	120,085	239,294	2,559,795	-	2,559,795
Internal equity changes										
Interest on equity credited	3	-	-	-	-	-	(47,000)	(47,000)	-	(47,000)
Reserve for profit to be distributed		-	-	-	-	192,294	(192,294)	-	-	-
		-	-	-	-	192,294	(239,294)	(47,000)	-	(47,000)
Balance as of March 31, 2026		1,165,400	100,047	1,160,274	(225,305)	312,379	-	2,512,795	-	2,512,795

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

Três Corações Alimentos S.A.

Condensed Consolidated Interim Statements of Cash Flow

Three month periods ended March 31, 2026 and 2025

(In thousand of Brazilian Reais)

	Three months period ended March 31,	
	2026	2025
Cash flows from operating activities		
Profit for the period	239,294	55,653
Adjustments for:		
Depreciation and amortization	38,000	36,247
Termination of lease contracts	-	(1,756)
Provision for legal proceedings	2,657	2,215
Allowance for expected credit losses	1,881	3,814
Other income, net	(2,957)	(3,217)
Share of profit of equity-accounted investees, net of tax	(8,322)	(3,516)
Net financial costs	31,446	44,635
Income tax expense	41,375	(663)
Change in:		
Trade receivables	(326,818)	(1,056,636)
Inventories	192,307	(388,053)
Recoverable and payable taxes, net	(56,277)	(28,582)
Judicial deposits	(620)	(145)
Trade payables	(319,363)	537,894
Employees and other payroll related liabilities	(14,834)	17,251
Other current and non-current assets and liabilities	(11,642)	(37,400)
Change in operating activities	(193,873)	(822,259)
Interest paid	(51,191)	(42,458)
Interest received	61,890	19,855
Income tax paid	(30,855)	(6,276)
Net cash flows used in operating activities	(214,029)	(851,138)
Cash flows from investing activities		
Change in deposits	(17)	20,793
Proceeds from sales of property, plant and equipment	4,979	5,040
Acquisition of property, plant and equipment	(34,444)	(27,353)
Investments in intangible assets	(4,385)	(2,211)
Dividend received	-	15
Net cash flows used in investing activities	(33,867)	(3,716)
Cash flows from financing activities		
Proceeds from loans	338,117	135,617
Repayment of loans	(102,433)	(315,758)
Payment of lease liabilities	(11,632)	(9,259)
Net cash flows provided by (used in) financing activities	224,052	(189,400)
Net decrease in cash and cash equivalents	(23,844)	(1,044,254)
Net decrease in cash and cash equivalents		
Cash and cash equivalents as at beginning of period	1,934,322	1,353,341
Cash and cash equivalents as at end of period	1,910,478	309,087
	(23,844)	(1,044,254)

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

Três Corações Alimentos S.A.

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



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 controls Rituais Café S.A.) and Café Três Corações S.A. (which controls Principal Comércio e Indústria Ltda and 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”), Positive Company controls Unnix Indústria e Comércio S.A (“Zaya”). In 2026, the company Unnix E-Commerce Ltda was established to operate the online sales of Zaya.

The Group is currently the largest group in roasted and ground coffee business in Brazil according to Nielsen Flash Report, and owns with JVs coffee and other food brands: 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, Iguaçú, 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, Coolate, TRES, A Tal da Castanha, Plant Power, Possible, Zaya and Zaytas.

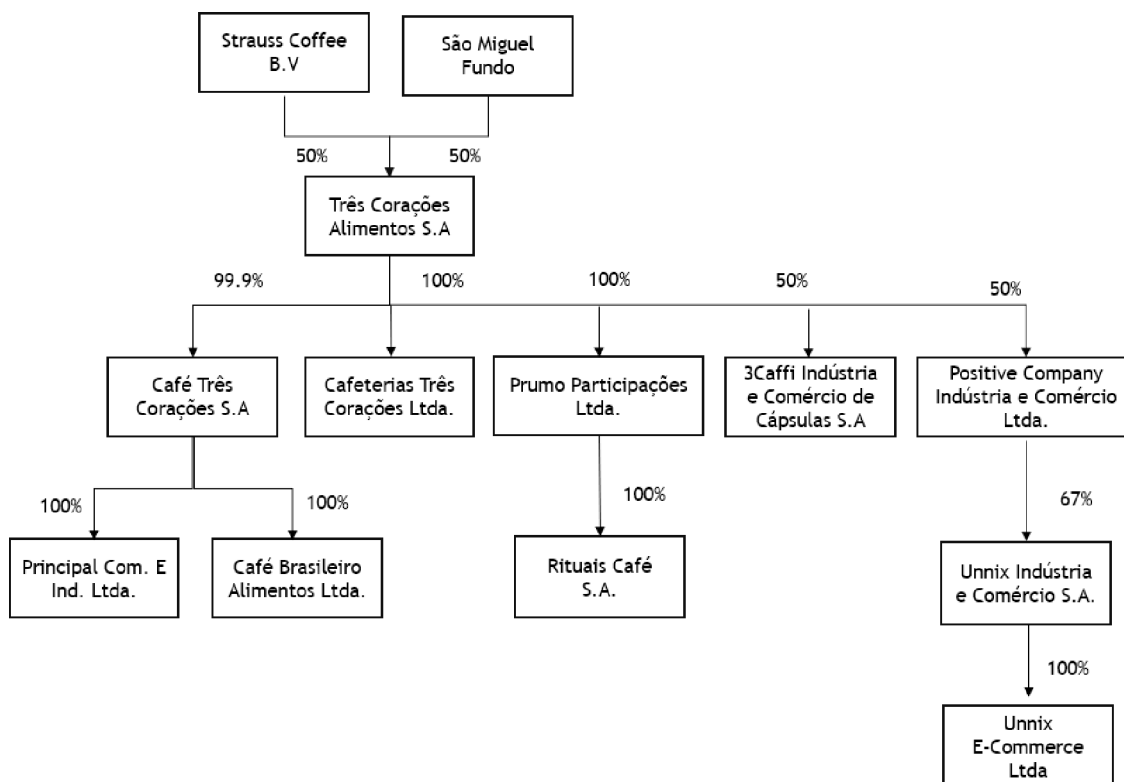
The Group’s industrial facilities are located in the states of Ceará, Rio Grande do Norte, Minas Gerais, Rio de Janeiro, Amazonas, São Paulo and Mato Grosso; distribution centers in almost all states of Brazil; green coffee processing plants in the state of Minas Gerais; and coffee shops in the cities of Fortaleza, Natal and Curitiba. 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.

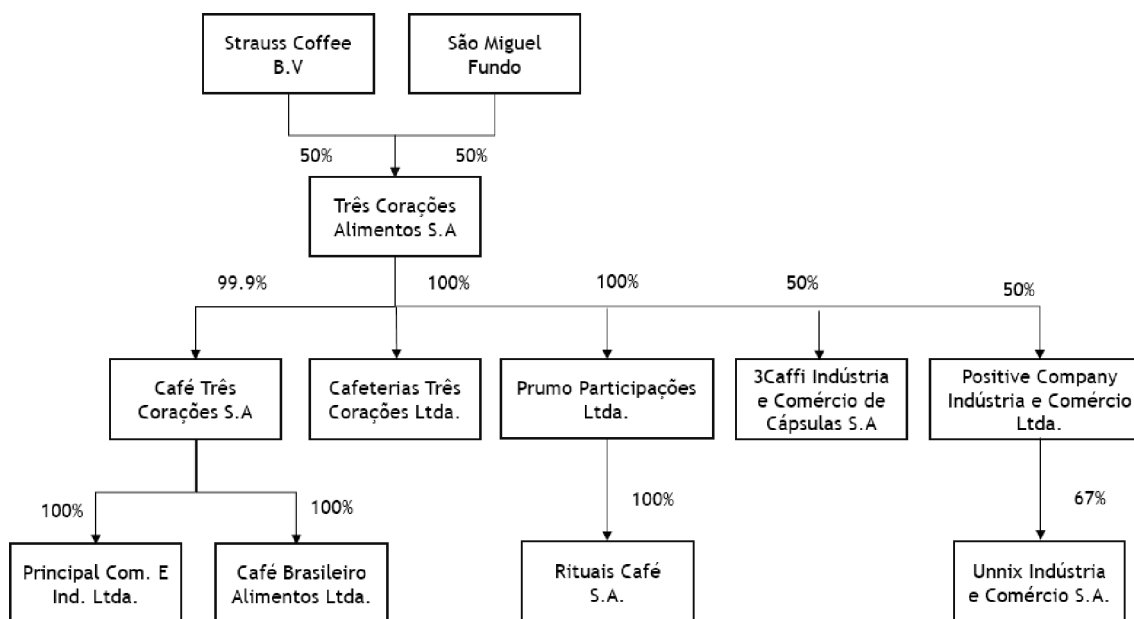
Notes to the condensed consolidated interim financial statements
(In thousands of Brazilian Reals)



On March 31, 2026, the Group has the following structure:



On December 31, 2025, the Group has the following structure:



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, 2025 ('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 May 13, 2026.

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, 2025. The Group has not adopted any other standards, interpretations or amendments that have been issued but are not yet effective.

3 Material events during the reporting period

3.1 Acquisition of Yoki and Kitano

On March 17, 2026, the Company entered into a purchase and sale agreement for assets and equity interests to acquire General Mills' operations in Brazil. The transaction is valued at R\$ 800,000 (eight hundred million reais), subject to price adjustments common to this type of operation.

With the completion of the deal, the Group will control and manage the Yoki and Kitano brands. The acquisition represents a milestone in the Group's portfolio diversification and complementarity strategy, significantly expanding its presence in the food sector and extending its reach beyond the coffee and ready-to-drink beverage segment.

The completion of the transaction is subject to approval by the relevant regulatory authorities, including the Administrative Council for Economic Defense (Cade - in Portuguese), as well as other customary closing conditions. Until Cade's approval and the consolidation of the business, the operations of Yoki and Kitano will remain under the management of General Mills.

3.2 Interest on Equity

The Company approved the recommendation of the Board of Directors on March 31, 2026 for the distribution of Interest on Equity (IOE) in the amount of R\$ 47,000 (R\$ 42,887 net of income tax). This amount is to be paid until 2031 observing the financial situation of the Company and in accordance with the Dividend Policy.

Três Corações Alimentos S.A.

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



4 Cash and cash equivalents, short and long term loans

	March 31, 2026	December 31, 2025
Short term loans	1,607,399	1,023,315
Long term loans	974,026	1,292,947
Cash and cash equivalents	(1,910,478)	(1,934,322)
Total	<u>670,947</u>	<u>381,940</u>

Cash and cash equivalents decrease is mainly due usage in operating activities such as trade receivables, payables and the investing activity of acquisition of fixed assets. Below is presented the cash flow used for the three month period:

- Cash flows used in operating activities, in the amount of R\$ (214,029);
- Cash flows used in investing activities, in the amount of R\$ (33,867);
- Cash flows provided by financing activities, in the amount of R\$ 224,052.

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

5 Provision for legal proceedings

There were no material events, except for the usual interest accrued on the provisioned contingent liability balances.

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	March 31, 2026		December 31, 2025	
		Carrying amount	Fair value	Carrying amount	Fair value
Financial liabilities					
Short term loans	2	1,607,399	1,867,970	1,023,315	1,189,202
Long term loans	2	974,026	1,124,117	1,292,947	1,492,181
		<u>2,581,425</u>	<u>2,992,087</u>	<u>2,316,262</u>	<u>2,681,383</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.

Três Corações Alimentos S.A.

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



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;

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:

- Quoted market prices or dealer quotes for similar instruments;
 - The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves;
 - 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 March 31, 2026 and December 31, 2025, the Group had no financial instruments classified at Level 3.

7 Revenue

7.1 Disaggregated revenue information

	Products	Services	March 31, 2026
Geographical markets			
Domestic	3,056,906	457	3,057,363
Foreign	34,487	-	34,487
Chile	16,352	-	16,352
Argentina	5,157	-	5,157
Bolivia	4,837	-	4,837
United States	2,202	-	2,202
Ecuador	2,160	-	2,160
Other countries	3,779	-	3,779
	<u>3,091,393</u>	<u>457</u>	<u>3,091,850</u>

Três Corações Alimentos S.A.

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



	Products	Services	March 31, 2025
Geographical markets			
Domestic	3,221,515	485	3,222,000
Foreign	59,654	-	59,654
Japan	22,464	-	22,464
United States	13,700	-	13,700
Chile	10,132	-	10,132
Switzerland	3,335	-	3,335
Germany	2,855	-	2,855
Other countries	7,168	-	7,168
	<u>3,281,169</u>	<u>485</u>	<u>3,281,654</u>

7.2 Composition of Revenue

	Three month periods ended March 31,	
	2026	2025
Revenue:		
Products - domestic	3,847,644	3,762,027
Products - foreign	36,081	61,121
Services	468	496
Other	176	146
Revenue deductions:		
Taxes on sales	(433,113)	(351,215)
State VAT incentives	96,898	90,999
Discounts	(357,981)	(216,626)
Other deductions	(98,323)	(65,294)
Revenue	<u>3,091,850</u>	<u>3,281,654</u>

8 Cost of sales

	Three month periods ended March 31,	
	2026	2025
Materials consumed	(2,279,914)	(2,728,308)
Wages, salaries and related expenses	(31,389)	(27,247)
Energy and gas	(13,073)	(13,799)
Depreciation and amortization	(8,117)	(7,498)
Services contracted	(6,347)	(5,744)
Maintenance	(3,604)	(3,436)
Other	(3,582)	(3,023)
	<u>(2,346,026)</u>	<u>(2,789,055)</u>

Três Corações Alimentos S.A.

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



9 Income tax

9.1 Amounts recognized in statement of income

	Three month periods ended March 31,	
	2026	2025
Current taxes	(30,360)	(10,779)
Deferred taxes	(6,465)	11,442
Carryforward tax loss	(4,550)	-
	<u>(41,375)</u>	<u>663</u>

9.2 Reconciliation of effective tax rate

	Three month periods ended March 31,	
	2026	2025
Profit (loss) before taxes on income	280,669	54,990
Primary tax rate of the Company	-34.00%	-34,00%
Tax calculated according to the Company's primary tax rate	(95,427)	(18,697)
Permanent differences, net:		
Share of profit of equity-accounted investees, net of tax	2,829	1,195
Interest on equity	15,980	-
State tax incentives	30,246	25,078
Federal incentive	8,566	3,162
IAS 21 adjustments	(2,174)	(5,247)
Tax rate differential	3,153	(2,623)
Non-deductible expenses	(3,885)	(3,529)
Carryforward tax losses from previous periods	-	7,138
Profit eliminations on inventory	(487)	(1,665)
Pillar 2	-	(2,673)
Other	(176)	(1,476)
Taxes on income in the statement of income	<u>(41,375)</u>	<u>663</u>
Effective tax rate	-14.74%	1.21%

* * *

Pedro Alcântara Rego de Lima
Chief Executive Officer

Danísio Costa Lima Barbosa
Chief Financial Officer

Anya Monteiro de
Albuquerque
Controller CRC/CE 015582/O-4