

Strauss Group LTD.

Quarterly Report

as of June 30, 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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Unofficial Translation from Hebrew

Strauss Group Ltd.

Introduction



Company Profile

Strauss Group is a conglomerate of industrial and commercial companies operating in Israel and abroad, primarily engaged in the development, production, marketing and sale of a variety of branded food and beverage products. The Group is also active in the development, marketing, servicing and sale of water filtration, purification and carbonation products for home and office use. The Group is guided by its purpose: 'Nourishing a Better Tomorrow'. Strauss was established in 1933, and is now listed on the Tel Aviv Stock Exchange's flagship index, the TA-35 Index, which includes the largest public companies in Israel. According to non-GAAP financial measures, Strauss's total global annual revenues in 2025 were over NIS 12.5 billion. The Group is active in 11 countries and operates 26 sites.

The Group's areas of activity

Strauss Israel



The second-largest food and beverage group in Israel in terms of sales turnover (based on StoreNext data).[1] Has 12.2% of the total food and beverage market in Israel, operates 13 sites, including manufacturing facilities and logistics centers, and employs approximately 3,900 employees.

Strauss Coffee



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 coffee 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.

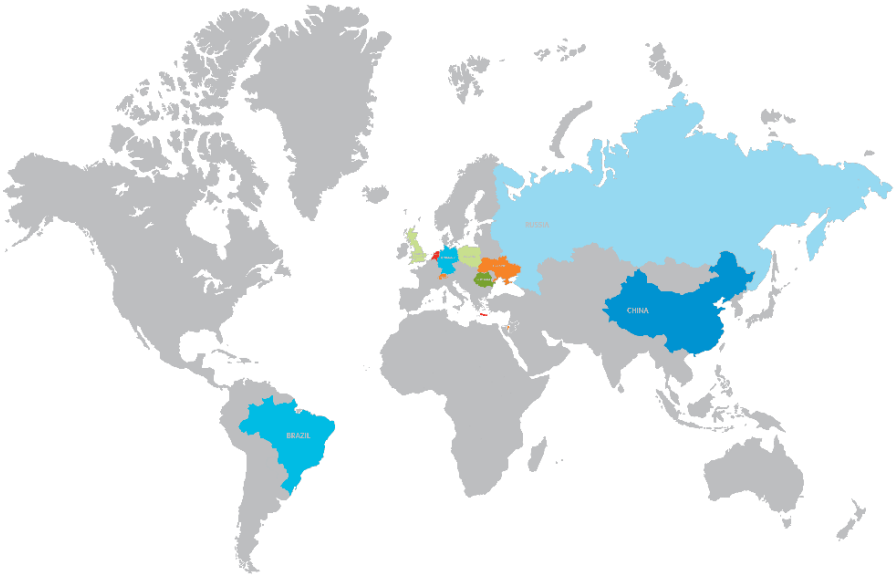
Strauss Water



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

[1] H1 2026 figures were adjusted for StoreNext's updated calculations, which are current according to a report published on July 16, 2026.

Global presence



Strauss Israel	Strauss Coffee	Strauss Water
Israel	Holland	Israel
	Brazil	China
	Romania	UK
	Switzerland	
	Poland	
	Germany	
	Ukraine	
	Russia	

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 Q2 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:

2,867
Million NIS
Net Sales

-1.9%
Change Excluding Currency Effects

-6.7%
Total Change in Sales

363
Million NIS
Operating Profit

41.9%
Change in Operating Profit

12.6%
Operating Profit Margin

472
Million NIS
EBITDA

31.7%
Change in EBITDA

16.5%
EBITDA Margin

195
Million NIS
Net Profit Attributable to Shareholders

113.3%
Change in Net Profit Attributable to Shareholders

1.65 NIS
Earnings per Share

115
Million NIS
Net CAPEX

17.9%
Change in CAPEX

4.0%
Net CAPEX as a % of Sales

265
Million NIS
Cash Flow from Operating Activities

+214
Million NIS
Change in Cash Flow from Operating Activities

150
Million NIS
Free Cash Flow

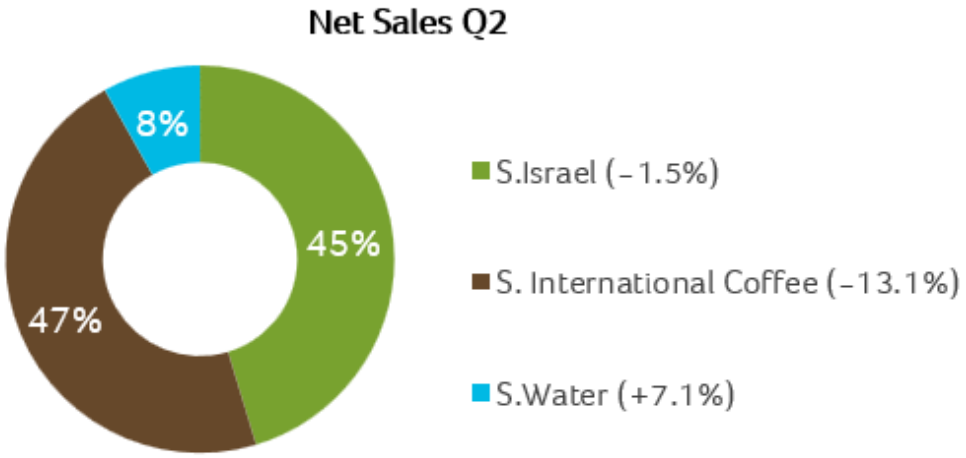
+239
Million NIS
Change in Free Cash Flow

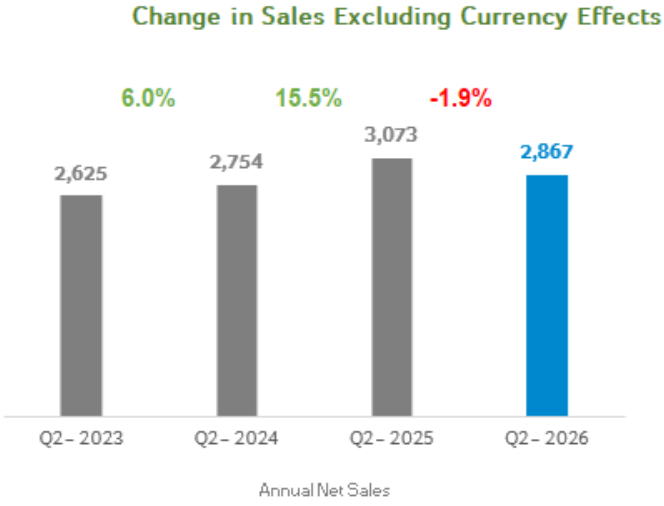
Non-GAAP Financial Data for H1 and Q2 2026:

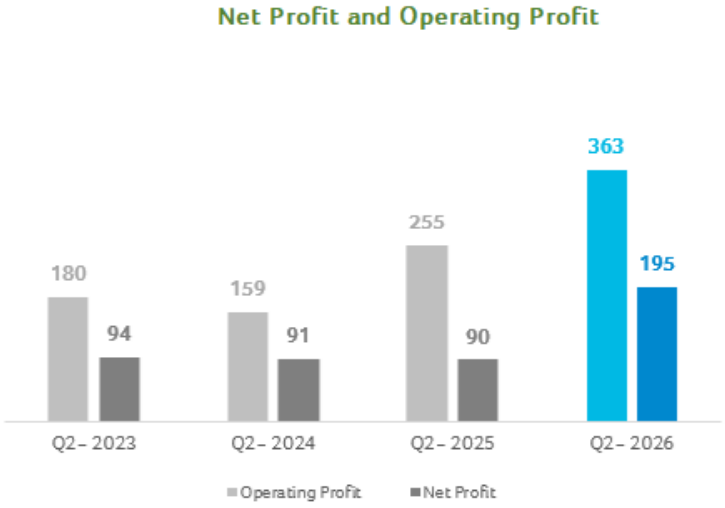
NIS million	H1-2026	H1-2025	Change	% change	Q2-2026	Q2-2025	Change	% change
Sales	5,868	6,063	(195)	(3.2%)	2,867	3,073	(206)	(6.7%)
Growth excluding currency effects	0.3%	18.1%			(1.9%)	15.5%		
Gross profit	1,943	1,649	294	17.9%	986	868	118	13.6%
% of sales	33.1%	27.2%			34.4%	28.3%		
Total operating expenses	1,282	1,228	54	4.4%	629	622	7	1.4%
Company's share in profits of equity-accounted investees	18	23	(5)	(22.2%)	6	9	(3)	(27.9%)
Operating profit	679	444	235	52.9%	363	255	108	41.9%
% of sales	11.6%	7.3%			12.6%	8.3%		
Financing expenses, net	(135)	(112)	(23)	20.7%	(84)	(86)	2	(1.8%)
Profit before taxes on income	544	332	212	63.7%	279	169	110	63.8%
Taxes on income	(114)	(109)			(55)	(52)		
Income for the period	430	223	207	93.0%	224	117	107	90.3%
Income attributable to shareholders of the Company	376	171	205	119.3%	195	90	105	113.3%
% of sales	6.4%	2.8%			6.8%	3.0%		
Income attributable to non-controlling interests	54	52	2	5.6%	29	27	2	11.9%
EPS (NIS)	3.21	1.47	1.74	118.4%	1.65	0.78	0.9	112.3%

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

Segmentation of net sales in Q2 2026 and their growth rates by segment







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 "Corporation" / the "Company"	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

Unofficial Translation from Hebrew

Strauss Group Ltd.

Update of the Description of the Company's Business



Update of the Description of the Company's Business Chapter in the 2025 Annual Report (the "**Annual Report**")[1] of Strauss Group Ltd (hereinafter: the "**Company**").

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 six months ended June 30, 2026 and through to the publication date of the report, for which no disclosure has yet been made in the Annual Report. This update refers to the section numbers in the Description of the Company's Business chapter as well as to several regulations in the Additional Information on the Corporation chapter in the Company's 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 (reference no: 2026-01-026732), the supplementary immediate report on the final dividend per share dated March 30, 2026 (reference no: 2026-01-029909) and also Note 4 to the Condensed Consolidated Interim Financial Statements of the Company as of June 30, 2026.

On August 11, 2026, the Company's Board of Directors approved the payment of a cash dividend to the shareholders of NIS 180 million for the first half of 2026. For information on the dividend distribution, see the immediate report of August 12, 2026 which is being published concurrently with the publication of this report, and also Note 9 to the Condensed Consolidated Interim Financial Statements of the Company as of June 30, 2026.

[1] As published on March 25, 2026 (reference no: 2026-01-026734).

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 ilAA+ rating of the Company and its debentures with a stable outlook. For further information, see the immediate report of March 31, 2026 (reference no: 2026-15-030895).

On June 23, 2026, Midroog ratings agency announced that it had affirmed the Company's rating and the Aa1.il rating assigned to the Company's debentures, with a stable outlook. For further information, see the immediate report of June 23, 2026 (reference no: 2026-15-059162).

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.

Further to the description in section 20.2.1(a) regarding the target price, on June 30, 2026, the Ministry of Finance published for public comment a draft of the principles for determining a controlled price for raw milk (the target price). The draft proposes transferring the determination of the price of raw milk from the existing mechanism prescribed in the Dairy Sector Planning Regulations to a price-control mechanism under the Supervision of Prices of Goods and Services Law, based on the general methodology of the Prices Committee. According to the draft, the Prices Committee will formulate a

recommendation regarding the controlled price, which will be submitted for approval by the Minister of Finance and the Minister of Agriculture by way of a price control order.

At this stage, there is no certainty as to whether the principles for determining a controlled price for raw milk will be approved or as to their final wording, if approved. Accordingly, as of the publication date of this report, the Company is unable to assess the possible effects of this change.

The information set forth in this section regarding the possible effects of the Dairy Sector Planning Regulations and the draft principles for determining a controlled price for raw milk (the target price) on the Company's activity and business, if and to the extent that the legislative process in respect of the regulations is completed and the draft principles are approved, constitutes forward-looking information, as defined in the Securities Law, 1968. It should be noted that the aforesaid regulations and principles, which concern the continued planning of the dairy sector and control of the price of raw milk, reflect a regulatory approach that differs from the approach underlying the reform in the dairy sector, namely the legislative memorandum proposing an amendment to the Dairy Industry Law (the "**reform**"). The reform is based, *inter alia*, on the abolition of the quota and price-control regime and a transition to a free-market model. Accordingly, and given the split in the reform, there is uncertainty as to the regulatory arrangement that will ultimately be adopted for the sector, its scope, its effective date and the manner in which it will be implemented. The Company's assessments are based on the information available to it as of the date of the report and on its assessments regarding the manner in which the proposed regulations and principles will be implemented, and there is no certainty that such assessments will materialize. Whether such assessments materialize may be affected, inter alia, by the final wording of the principles and regulations, whether or not the reform proceeds, regulatory decisions made by the competent authorities, and developments in the dairy market. The Company is monitoring the regulatory developments in this regard and is preparing accordingly, based on the information available to it as of the publication date of this report.

The Promotion of Competition and Reduction of Concentration Law, 2013

In December 2013, the Promotion of Competition and Reduction of Concentration Law, 2013 (hereinafter in this section: the "**Law**") was published. Pursuant to the Law, the Committee for the Reduction of Concentration publishes, from time to time, the list of concentrated entities, the list of significant non-financial corporations and the list of significant financial entities. On July 12, 2026, the Company was included for the first time in the aforesaid list of significant non-financial corporations. As of the publication date of this report, and based on the Company's assessment, its inclusion in the aforesaid list is not expected to have a material effect on the Company.

It should be noted that classification as a significant non-financial corporation imposes certain restrictions on the holding by certain financial entities of means of control in a significant non-financial corporation, including in corporations controlled by the significant non-financial corporation.

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 June 30, 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 an indemnification 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 (reference no: 2026-01-026796), and the Company's immediate report dated April 30, 2026 regarding the results of the meeting (reference 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 June 30, 2026, see the Company's immediate report dated July 7, 2026 (reference no: 2026-01-064507), the information included in which is incorporated herein by reference.

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 (reference no: 2026-01-026796), and the Company's immediate report dated April 30, 2026 regarding the results of the meeting (reference 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 an indemnification 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 an indemnification undertaking to a director of the Company, see Regulation 29(c) in section 8 above.

Date: August 11, 2026

Names and titles of signatories:

Ofra Strauss, Chairperson of the Board of Directors

Shai Babad, President and CEO

Strauss Group Ltd.

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Strauss Group Ltd.

Board of Directors Report on the State of the Company's Affairs As of June 30, 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 Q2 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 Corporation's Business Affairs in the periodic report as of December 31, 2025, as published on March 25, 2026 (reference no: 2026-01-026734), as well as with the Update to the Description of the Company's Business Report, the Financial Statements and Board of Directors Report on the State of the Corporation's Business Affairs for Q1 2026, as published on May 20, 2026 (reference no: 2026-01-046491).

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 June 30, 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 Water).[1]

[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 June 30, 2026 as "other activity".

Further to the approval of the Group's 2024-2026 updated strategy, several changes were made to the operating segments to align them with how the segmental information regarding the Group's operating segments is presented, which is 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. (hereinabove 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

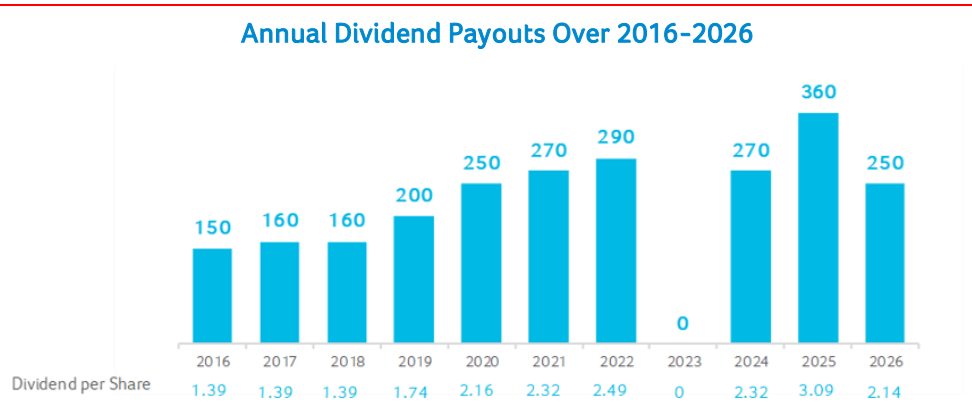
9.1.1 of the Description of the Company's Business Report for 2025 and the immediate report of March 17, 2026 (reference no. 2026-01-023426).

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 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:



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.

On August 11, 2026, the Company's Board of Directors approved the payment of a dividend to shareholders of NIS 180 million (approximately NIS 1.54 per share as of the publication date of the report) which shall be paid on September 3, 2026.

The balance of retained earnings on the date of the statement of financial position as of June 30, 2026 is approximately NIS 4,355 million.

CHANGES IN THE ECONOMIC ENVIRONMENT

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

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 worked 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 security situation 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, as are the economic sanctions imposed on Russia by Western Nations. 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 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 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 is traded on the global commodity markets. In H1 and Q2 2026 there was a considerable decline in the average market prices of cocoa and green coffee. In terms of closing prices as of June 30, 2026, compared to the prices as of March 31, 2026, in Q2 there was a considerable increase in cocoa prices.

According to Bloomberg, from the beginning of July 2026, until proximate to the publication date of the report, the prices of Arabica coffee and cocoa increased by approximately 8% and 11%, respectively, while the price of Robusta green coffee essentially remained unchanged.

The average price of raw milk in H1 2026 increased by approximately 1.2%, and in Q2 2026 it declined by approximately 0.6% relative to the corresponding periods last year. Since the beginning of July 2026 and through to the publication date of the report, there was an approximately 5.1% decline in the price of raw milk compared with the end of Q2 2026. The impact of the change in the price of the raw material on the Company's raw material consumption cost is gradual due to the Group's procurement processes and coverage policy.

Presented below are the rates of change in the market prices of major inputs based on closing prices as of June 30, 2026, compared with December 31, 2025 and March 31, 2026, as well as the rates of change in the average market prices in H1 and Q2 2026 compared to the corresponding periods the previous year:

Inputs	Price as of			Price as of		
	30.06.2026	31.12.2025	% change	30.06.2026	31.03.2026	% change
Arabica [1]	311	349	(11%)	311	298	4%
Robusta [1]	3,845	4,109	(6%)	3,845	3,493	10%
Cocoa [1]	3,816	4,377	(13%)	3,816	2,487	53%
Raw milk [2]	2.46	2.51	(1.9%)	2.46	2.47	(0.6%)

Inputs	Average price in the First Half			Average price in Q2		
	2026	2025	% change	2026	2025	% change
Arabica [1]	301	370	(19%)	284	364	(22%)
Robusta [1]	3,714	5,107	(27%)	3,550	4,768	(26%)
Cocoa [1]	2,882	7,104	(59%)	2,938	6,490	(55%)
Raw milk [2]	2.47	2.44	1.2%	2.46	2.47	(0.6%)

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

(2) Figures are based on data 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 H1 and Q2 2026 increased by approximately 24% and 45%, respectively, compared with the average price in the corresponding periods 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 37%.

7. Exchange rate fluctuations

The average exchange rate of the Shekel strengthened against all operating currencies in H1 and Q2 2026 compared with the corresponding periods year-over-year. The appreciation of the Shekel resulted in a decline in the sales and operating profit line-items for the Group's foreign activity.

The closing rates of the Shekel strengthened against all of the Group's currencies in H1 and Q2 2026 compared with the corresponding periods year-over-year. The net impact resulted in a decline in the Group's equity.

In H1 and Q2 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 H1 and Q2 2026 compared with the corresponding periods year-over-year:

Table of the Average Exchange Rates Against the Shekel							
Currency		Average exchange rate in H1		% change	Average exchange rate in Q2		% change
		2026	2025		2026	2025	
United States Dollar	USD	3.043	3.599	(15.4%)	2.963	3.584	(17.3%)
Euro	EUR	3.549	3.934	(9.8%)	3.443	4.066	(15.3%)
Ukrainian Hryvnia	UAH	0.070	0.087	(19.6%)	0.067	0.086	(22.5%)
Russian Ruble	RUB	0.040	0.042	(4.4%)	0.040	0.044	(10.5%)
Romanian Leu	RON	0.691	0.786	(12.1%)	0.663	0.808	(17.9%)
Polish Zloty	PLN	0.837	0.929	(9.9%)	0.810	0.954	(15.1%)
Brazilian Real	BRL	0.589	0.624	(5.6%)	0.585	0.632	(7.5%)
Chinese Renminbi	CNY	0.443	0.496	(10.7%)	0.435	0.495	(12.2%)
Pound Sterling	GBP	4.091	4.667	(12.3%)	3.974	4.786	(17.0%)

Presented below is a table with the average exchange rates against the USD in H1 and Q2 2026 compared with the corresponding periods year-over-year:

Table of the Average Exchange Rates Against the USD							
Currency		Average exchange rate in H1		% change	Average exchange rate in Q2		% change
		2026	2025		2026	2025	
Shekel	NIS	0.329	0.278	18.3%	0.338	0.279	21.0%
Ukrainian Hryvnia	UAH	0.023	0.024	(5.0%)	0.023	0.024	(6.2%)
Russian Ruble	RUB	0.013	0.012	13.1%	0.013	0.012	8.3%
Romanian Leu	RON	0.227	0.218	3.9%	0.224	0.226	(0.7%)
Polish Zloty	PLN	0.275	0.258	6.5%	0.273	0.266	2.7%
Brazilian Real	BRL	0.194	0.174	11.6%	0.197	0.176	11.9%
Chinese Renminbi	CNY	0.146	0.138	5.6%	0.147	0.138	6.3%
Pound Sterling	GBP	1.345	1.297	3.6%	1.341	1.335	0.4%

According to Bloomberg, from the beginning of 2026 until proximate to the publication date of the report, the Shekel strengthened against the USD and the Russian Ruble by approximately 6.5% and 12%, respectively, and weakened by approximately 1.3% against the Brazilian Real.

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

Presented below are changes in the consumer price index in H1 and Q2 2026 compared with the corresponding periods last year, as well as in the 12 month period ended in proximity to the publication date of the report:

	First Half		Q2		
	2026	2025	2026	2025	Last 12 months
Israel	1.2%	2.1%	0.9%	1.1%	1.6%
USA	3.0%	2.2%	1.1%	0.9%	3.5%
Brazil	3.4%	3.0%	1.4%	0.9%	4.6%
Russia	4.2%	3.8%	1.2%	1.0%	6.0%

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 July 6, 2026, the Bank of Israel announced an interest rate cut of 0.25% to 3.5% 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 14.25% 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% 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 activity. 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 and/or the subsidiaries.

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

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

When presenting growth % change without FX (Foreign Exchange) impact, it refers to Exclusion of translational impact of converting local currency results of International JVs and subsidiaries, into the Group's reporting currency (NIS).

Presented below are the Group's condensed results (based on the Group's management (non-GAAP) reports) for the first half ended June 30, 2026 and 2025 (in NIS million):

Condensed Operating Results				
	First Half			Explanation
	2026	2025	% change	
Sales [1]	**5,868**	**6,063**	**(3.2%)**	The decrease was primarily attributable to 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. The decline was partially offset by an increase in Israel activity due to higher volume and revised sales prices. For more information see section 14 below.
Growth excluding foreign currency effects	0.3%	18.1%		
Cost of sales	3,925	4,414	(11.1%)	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, as well as due to productivity measures implemented in the Israel activity. The increase was partially offset by greater manufacturing costs.
Gross profit	**1,943**	**1,649**	**17.9%**	
% of sales	33.1%	27.2%		
Selling and marketing expenses	999	947	5.4%	The change is primarily due to greater marketing expenses to support growth, there was also an increase in International Coffee due to greater sales commissions consistent with the increase in volume sold and increase in manpower.
General and administrative expenses	283	281	1.0%	There was an increase in IT, depreciation and productivity plan consulting costs, which was partially offset by a one-off receipt of insurance indemnification following a settlement arrangement as part of a derivative action of NIS 27 million recorded in Q2 2026. For more information see section 6.3 of the Condensed Consolidated Interim Financial Statements as of June 30, 2026.
Total operating expenses	**1,282**	**1,228**		
Company's share in profits of equity-accounted investees	18	23	(22.2%)	The decline is attributable to a fall in HSW earnings, primarily due to investing in product development, marketing and improving sales channels activity due to strengthening competition in the Chinese water market.
Operating profit [1] [2]	**679**	**444**	**52.9%**	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 expenses.
% of sales	11.6%	7.3%		
Financing expenses, net	(135)	(112)	20.7%	The increase in financing expenses is mainly the result of higher expenses for the revaluation of foreign currency derivatives and currency differences, which was partially offset by a decline in interest expenses for net debt in Brazil.
Profit before taxes on income [2]	**544**	**332**	**63.7%**	
Taxes on income	(114)	(109)	4.4%	The decline in the effective rate is due to a change in the Group's profit mix, impact of the composition of timing differentials on deferred tax balances and tax receipts from earlier years resulting from International Coffee activity.
Effective tax rate	21.0%	33.0%		
Profit for the period [2]	**430**	**223**	**93.0%**	Most of the increase in net profit is due to growth in operating profit, as explained above, which was partially offset by an increase in financing and tax expenses.
Profit attributable to shareholders of the Company [2]	**376**	**171**	**119.3%**	
% of sales	**6.4%**	**2.8%**		
Profit attributable to non-controlling interests	54	52	5.6%	
EPS (NIS)	3.21	1.47	118.4%	

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 (hereinafter: the "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. In H1 2025, after neutralizing the activity and currency impact on external activities, the Group's sales came to approximately NIS 6,021 million (an approximately 1.0% increase after offsetting currency impact).

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 management reporting in the amount of approximately NIS 18 million for the first half ended June 30, 2025.

Presented below are the Group's condensed results (based on the Group's management (non-GAAP) reports) for the quarters ended June 30, 2026 and 2025 (in NIS million):

Condensed Operating Results				
	Q2			Explanation
	2026	2025	% change	
Sales [1]	**2,867**	**3,073**	**(6.7%)**	The decrease was primarily attributable to 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, as well as due to a decline in the Israel activity, primarily due to the sale of the Elite Coffee chain. For more information see section 14 below.
Growth excluding foreign currency effects	(1.9%)	15.5%		
Cost of sales	1,881	2,205	(14.7%)	The increase in gross profit and gross margin is largely due to the decline in green coffee prices, as well as due to foreign exchange benefits and productivity measures implemented in the Israel activity.
Gross profit	**986**	**868**	**13.6%**	
% of sales	34.4%	28.3%		
Selling and marketing expenses	501	477	5.0%	The change is primarily due to an increase in expenses in Brazil which includes an increase in salary expenses, commissions and transportation costs. There was also an increase in marketing expenses, primarily in the International Coffee segment, resulting from greater investments in marketing as well as due to increasing the marketing activity in Israel.
General and administrative expenses	128	145	(10.6%)	The decline is primarily due to a one-off receipt of insurance indemnification following a settlement arrangement as part of a derivative action of NIS 27 million recorded in Q2 2026. For more information see section 6.3 of the Condensed Consolidated Interim Financial Statements as of June 30, 2026.
Total operating expenses	**629**	**622**		
Company's share in profits of equity-accounted investees	6	9	(27.9%)	The decline is attributable to a fall in HSW earnings, primarily due to investments in product developments, in marketing and improving sales channel activity due to increased competition in the Chinese water market.
Operating profit [1] [2]	**363**	**255**	**41.9%**	The increase in operating profit and operating margin is due to the improvement in gross profit as explained above as well as a decline in general and administrative expenses, which was partially offset by higher marketing expenses.
% of sales	12.6%	8.3%		
Financing expenses, net	(84)	(86)	(1.8%)	The decline is primarily due to a decline in interest expenses for net debt in Brazil against expenses for foreign currency derivative revaluation differences.
Profit before taxes on income [2]	**279**	**169**	**63.8%**	
Taxes on income	(55)	(52)	4.8%	The decline in the effective rate is due to changes in the Group's profit mix, impact of the composition of timing differences on deferred tax balances and tax receipts from previous years resulting from the International Coffee activity.
Effective tax rate	19.8%	31.0%		
Profit for the period [2]	**224**	**117**	**90.3%**	Most of the increase in net profit is due to growth in operating profit, as explained above, and a decline in financing expenses which was partially offset by an increase in tax expenses.
Profit attributable to shareholders of the Company [2]	**195**	**90**	**113.3%**	
% of sales	**6.8%**	**3.0%**		
Profit attributable to non-controlling interests	29	27	11.9%	
EPS (NIS)	1.65	0.78	112.3%	

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 (hereinafter: the "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. In Q2 2025, after offsetting the activity and currency impact on external activities, the Group's sales came to approximately NIS 3,055 million (an approximately 1.4% decrease after offsetting currency impact).

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 management reports in the amount of approximately NIS 10 million for Q2 ended June 30, 2025.

Presented below are the condensed results (based on the Group's management (non-GAAP) reports) for the first half and quarters ended June 30, 2026 and 2025 (in NIS million):

Condensed Operating Results by Operating Segment						
	First Half			Q2		
	2026	2025	% change	2026	2025	% change
Israel activity						
Net sales	2,759	2,715	1.6%	1,300	1,319	(1.5%)
Cost of sales	1,734	1,804	(3.9%)	800	857	(6.7%)
Operating profit [1]	373	248	50.5%	198	135	46.0%
International Coffee						
Net sales	2,656	2,924	(9.1%)	1,334	1,536	(13.1%)
Cost of sales	1,964	2,393	(17.9%)	968	1,238	(21.8%)
Operating profit	280	157	78.2%	148	102	44.3%
Water						
Net sales	453	424	6.8%	233	218	7.1%
Cost of sales	227	217	4.6%	113	110	2.7%
Operating profit	45	52	(13.9%)	28	26	4.9%
Other						
Operating loss [2]	(19)	(13)	44.4%	(11)	(8)	26.1%
Total						
Net sales	**5,868**	**6,063**	**(3.2%)**	**2,867**	**3,073**	**(6.7%)**
Cost of sales	**3,925**	**4,414**	**(11.1%)**	**1,881**	**2,205**	**(14.7%)**
Operating profit [1] [2]	**679**	**444**	**52.9%**	**363**	**255**	**41.9%**

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

1) Operating profit includes a one-off receipt of insurance indemnification of NIS 27 million following a settlement arrangement in a derivative action recorded in Q2 2026. For more information see section 6.3 of the Condensed Consolidated Interim Financial Statements as of June 30, 2026. Offsetting this payment, the operating profit of the Israel activity in H1 2026 came to approximately NIS 346 million, while in Q2 2026 the operating profit came to approximately NIS 171 million.

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 in the management reports were restated in the amount of approximately NIS 18 million and NIS 10 million for the first half and Q2 ended June 30, 2025, respectively.

Presented below is the breakdown of EBITDA between the Group's operating segments (in NIS million) for the first half and quarters ended June 30, 2026 and 2025:

Breakdown of EBITDA by operating segment						
	First Half			Q2		
	2026	2025	% change	2026	2025	% change
Israel	481	351	36.8%	253	186	35.9%
Health & Wellness	264	251	4.9%	148	139	6.6%
Fun & Indulgence - Snacks and Confectionery [1]	128	24	430.3%	69	21	227.7%
Fun & Indulgence (Israel Coffee)	89	76	16.5%	36	26	36.2%
International Coffee	321	200	60.2%	168	124	34.7%
Water	84	85	(0.7%)	48	43	10.4%
Other [2]	9	13	(26.4%)	3	6	(28.9%)
Total EBITDA	**895**	**649**	**37.9%**	**472**	**359**	**31.7%**

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

1) EBITDA includes a one-off receipt of insurance indemnification of NIS 27 million following a settlement arrangement in a derivative action recorded in Q2 2026. For more information see section 6.3 of the Condensed Consolidated Interim Financial Statements as of June 30, 2026. Offsetting this payment, EBITDA in the Fun & Indulgence (Snacks and Confectionery) segment in H1 2026 came to approximately NIS 101 million, while in Q2 2026 EBITDA came to approximately NIS 42 million.

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 management reports in the amount of approximately NIS 18 million and NIS 10 million for the first half and Q2 ended June 30, 2025, respectively.

Presented below are the Group's condensed financial accounting (GAAP) statements of income for the first half and quarters ended June 30, 2026 and 2025 (in NIS million):

Condensed GAAP Statements of Income						
	First Half			Q2		
	2026	2025	% change	2026	2025	% change
Sales	3,829	3,762	1.8%	1,843	1,875	(1.7%)
Cost of sales excluding impact of commodity hedges	2,466	2,573	(4.2%)	1,162	1,274	(8.8%)
Adjustments for commodity hedges (1)	(14)	(6)		(45)	18	
Cost of sales	2,452	2,567	(4.5%)	1,117	1,292	(13.5%)
Gross profit	**1,377**	**1,195**	**15.2%**	**726**	**583**	**24.4%**
% of sales	36.0%	31.8%		39.4%	31.1%	
Selling and marketing expenses	700	677	3.4%	341	337	1.1%
General and administrative expenses	281	250	12.7%	142	129	10.6%
Total operating expenses	**981**	**927**	**5.9%**	**483**	**466**	**3.7%**
Share of income of equity-accounted investees	205	123	65.7%	107	76	39.6%
Share in losses of equity-accounted incubator investees	(15)	(18)	(18.7%)	(9)	(10)	(9.1%)
Operating profit before other income (expenses), net	**586**	**373**	**56.8%**	**341**	**183**	**85.0%**
% of sales	15.3%	9.9%		18.4%	9.8%	
Other income (expenses), net	25	(4)		25	5	
Operating profit after other income (expenses), net	**611**	**369**	**65.7%**	**366**	**188**	**94.6%**
Financing expenses, net	(118)	(77)	53.6%	(77)	(64)	19.6%
Profit before taxes on income	**493**	**292**	**68.9%**	**289**	**124**	**133.2%**
Taxes on income	(80)	(90)	(11.0%)	(47)	(33)	44.2%
Effective tax rate	16.3%	30.8%		16.3%	26.3%	
Profit for the period	**413**	**202**	104.5%	**242**	**91**	164.9%
Profit attributable to shareholders of the Company	**359**	**150**	**139.4%**	**213**	**64**	**231.2%**
Profit attributable to non-controlling interests	54	52	4.3%	29	27	9.2%

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 Group's management (non-GAAP) reports for H1 ended June 30, 2026 and 2025 (in NIS million):

Adjustments from the GAAP report for the non-GAAP proportionate consolidation method report						
	First Half of 2026			First Half of 2025		
	Financial Statements	Change	Proportionate consolidation method	Financial Statements	Change	Proportionate consolidation method
Sales	3,829	2,039	5,868	3,762	2,301	6,063
Cost of sales excluding impact of commodity hedges	2,466	1,461	3,927	2,573	1,841	4,414
Adjustments for commodity hedges [1]	(14)	-	(14)	(6)	-	(6)
Cost of sales	2,452	1,461	3,913	2,567	1,841	4,408
Gross profit	**1,377**	**578**	**1,955**	**1,195**	**460**	**1,655**
% of sales	36.0%		33.3%	31.8%		27.3%
Selling and marketing expenses	700	299	999	677	270	947
General and administrative expenses	281	44	325	250	42	292
Company's share in profits of equity-accounted investees	205	(187)	18	123	(100)	23
Operating profit before incubator investee losses	**601**	**48**	**649**	**391**	**48**	**439**
Share in losses of equity-accounted incubator investees	(15)	-	(15)	(18)	-	(18)
Operating profit before other income (expenses)	**586**	**48**	**634**	**373**	**48**	**421**
% of sales	15.3%		10.8%	9.9%		6.9%
Other expenses, net	25	5	30	(4)	8	4
Operating profit after other income (expenses)	**611**	**53**	**664**	**369**	**56**	**425**
Financing expenses, net	(118)	(17)	(135)	(77)	(35)	(112)
Profit before taxes on income	**493**	**36**	**529**	**292**	**21**	**313**
Taxes on income	(80)	(36)	(116)	(90)	(21)	(111)
Effective tax rate	16.3%		22.0%	30.8%		35.6%
Profit for the period	**413**	**-**	**413**	**202**	**-**	**202**
Profit attributable to shareholders of the Company	**359**	**-**	**359**	**150**	**-**	**150**
Profit attributable to non-controlling interests	54	-	54	52	-	52

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.

Presented below are the adjustments to the Group's management (non-GAAP) reports for the quarters ended June 30, 2026 and 2025 (in NIS million):

Adjustments from the GAAP report for the non-GAAP proportionate consolidation method report						
	Q2 2026			Q2 2025		
	Financial Statements	Change	Proportionate consolidation method	Financial Statements	Change	Proportionate consolidation method
Sales	1,843	1,024	2,867	1,875	1,198	3,073
Cost of sales excluding impact of commodity hedges	1,162	721	1,883	1,274	931	2,205
Adjustments for commodity hedges [1]	(45)	-	(45)	18	(1)	17
Cost of sales	1,117	721	1,838	1,292	930	2,222
Gross profit	**726**	**303**	**1,029**	**583**	**268**	**851**
% of sales	39.4%		35.9%	31.1%		27.7%
Selling and marketing expenses	341	160	501	337	140	477
General and administrative expenses	142	21	163	129	21	150
Company's share in profits of equity-accounted investees	107	(101)	6	76	(67)	9
Operating profit before incubator investee losses	**350**	**21**	**371**	**193**	**40**	**233**
Share in losses of equity-accounted incubator investees	(9)	-	(9)	(10)	-	(10)
Operating profit before other income (expenses)	**341**	**21**	**362**	**183**	**40**	**223**
% of sales	18.4%		12.6%	9.8%		7.3%
Other income (expenses), net	25	4	29	5	(2)	3
Operating profit after other income (expenses)	**366**	**25**	**391**	**188**	**38**	**226**
Financing expenses, net	(77)	(7)	(84)	(64)	(22)	(86)
Profit before taxes on income	**289**	**18**	**307**	**124**	**16**	**140**
Taxes on income	(47)	(18)	(65)	(33)	(16)	(49)
Effective tax rate	16.3%		21.3%	26.3%		34.9%
Profit for the period	**242**	**-**	**242**	**91**	**-**	**91**
Profit attributable to shareholders of the Company	**213**	**-**	**213**	**64**	**-**	**64**
Profit attributable to non-controlling interests	29	-	29	27	-	27

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, incubator company losses, other expenses and taxes referring to those adjustments) for H1 and the quarters ended June 30, 2026 and 2025:

Additional adjustments for the management (non-GAAP) reports						
	First Half			Q2		
	2026	2025	% change	2026	2025	% change
Net operating profit according to the proportionate consolidation method after other income (expenses)	**664**	**425**	**56.3%**	**391**	**226**	**73.4%**
Share-based payments	13	11		6	5	
Adjustments for commodity hedges [(1)]	(14)	(6)		(45)	17	
Other expenses (revenues), net	1	(4)		2	(3)	
Share in losses of equity-accounted incubator investees [(3)]	15	18		9	10	
Operating profit [(2) (3)]	**679**	**444**	**52.9%**	**363**	**255**	**41.9%**
Financing expenses, net	(135)	(112)		(84)	(86)	
Taxes on income	(116)	(111)		(65)	(49)	
Taxes in respect of adjustments to the above operating profit	2	2		10	(3)	
Profit for the period [(3)]	**430**	**223**	**93.0%**	**224**	**117**	**90.3%**
Profit attributable to shareholders of the Company [(3)]	**376**	**171**	**119.3%**	**195**	**90**	**113.3%**
Attributable to non-controlling interests	**54**	**52**	**5.6%**	**29**	**27**	**11.9%**

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 management reports in the amount of approximately NIS 18 million and NIS 10 million for the first half and Q2 ended June 30, 2025, respectively.

12. Condensed statement of financial position

Presented below is the Group's condensed financial accounting (GAAP) statement of financial position as of June 30, 2026 and December 31, 2025 (in NIS million):

Condensed GAAP Statement of Financial Position				
	As of June 30, 2026	As of December 31, 2025	% change	Explanation
Total current assets	3,137	3,097	1.3%	The increase in current assets is primarily attributable to an increase in the balance of receivables, *inter alia*, for recording insurance indemnification, an increase in the balance of derivatives due to revaluations.
Including: Cash and cash equivalents	527	535	(1.6%)	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	5,955	5,719	4.3%	The change is largely due to an increase in investments in associates due to investee profits which was partially offset by negative translation differences. It is also attributable to an increase in investments in fixed assets.
Total assets	**9,092**	**8,816**	**3.2%**	
Total current liabilities	3,017	2,998	0.6%	The increase is primarily due to an increase in income tax liability, as well as a tax refund received for earlier years which increased the net liability.
Total non-current liabilities	2,413	2,195	10.3%	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	3,292	3,272	0.6%	The increase is primarily due to the Company's profit attributable to the majority shareholders, which was partially offset by negative translation differentials and a dividend which was declared and distributed to the Company's shareholders.
Total equity attributable to non-controlling shareholders	370	351	5.3%	The change is due to profit attributable to non-controlling interests, and was partially offset by a dividend declared and distributed.

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

Presented below is the Group's outstanding debt balance as of June 30, 2026 and December 31, 2025 (in NIS million):

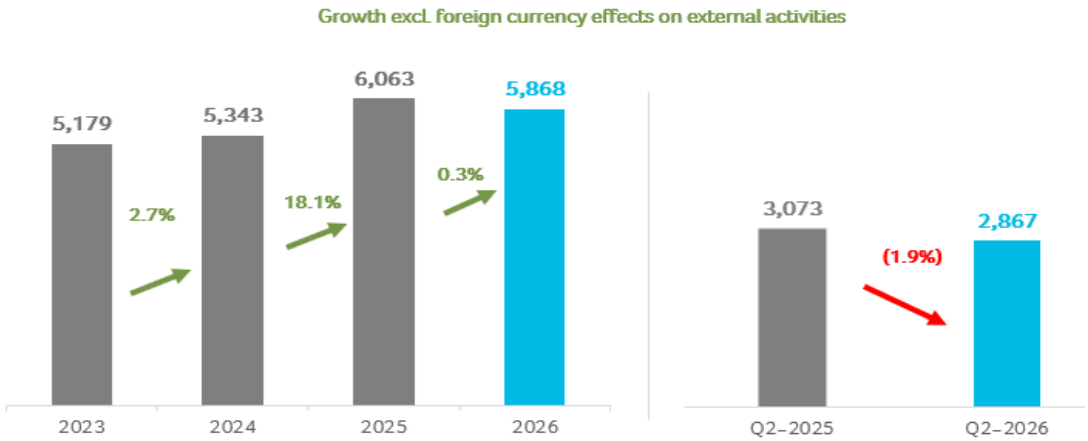
Debt balance				
	As of June 30, 2026	As of December 31, 2025	Change	Explanation
Gross debt – non-GAAP reports	3,614	3,330	284	The increase in gross and net debt is primarily due to the public issuance of debentures (through an expansion of Debentures Series F) in January 2026.
Gross debt – financial accounting (GAAP) reports	2,914	2,628	286	
Net debt – non-GAAP reports	2,504	2,223	281	
Net debt – financial accounting (GAAP) reports	2,387	2,093	294	

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

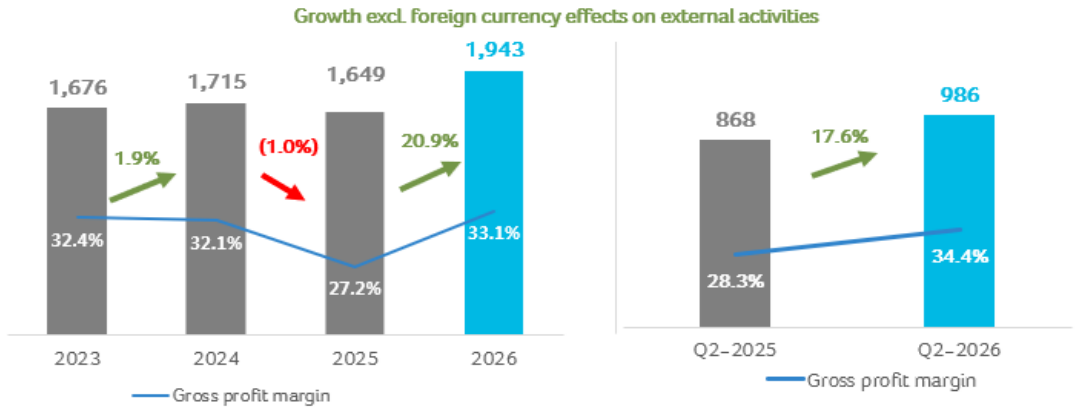
Presented below are key financial data presented in a quarterly comparison, according to the management (non-GAAP) reports:

Net sales - H1 and Q2



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

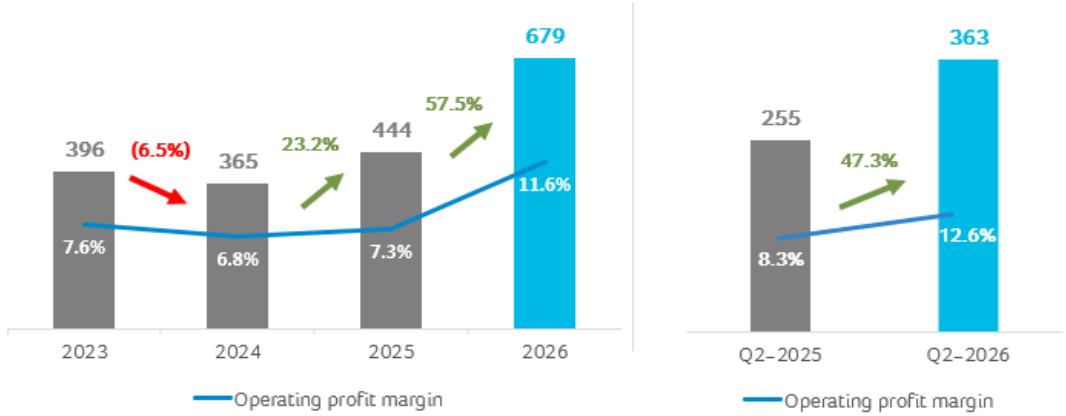
Gross profit and gross margin - H1 and Q2



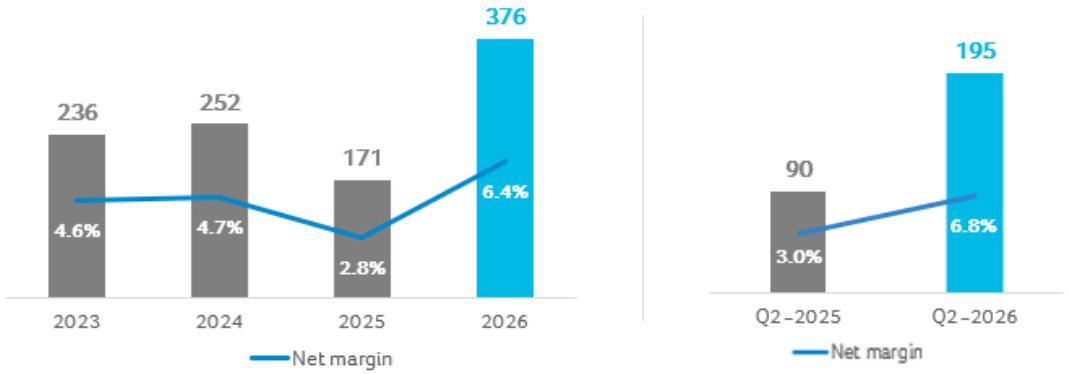
Financial data were rounded to NIS million. Percentage changes were calculated based on the exact figures in NIS thousands.

Operating profit and operating margin - H1 and Q2

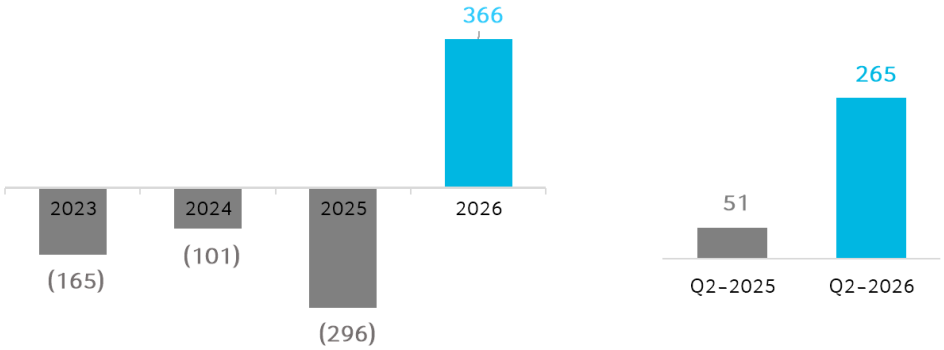
Growth excl. foreign currency effects on external activities



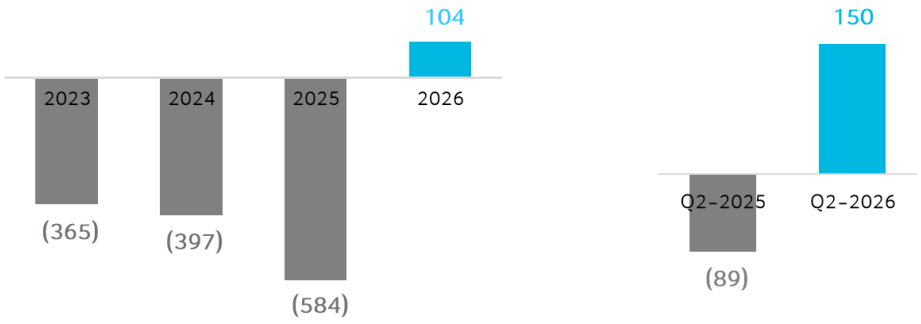
Net profit and net profit margin - H1 and Q2



Cash flows from operating activities - H1 and Q2



Free cash flow - H1 and Q2

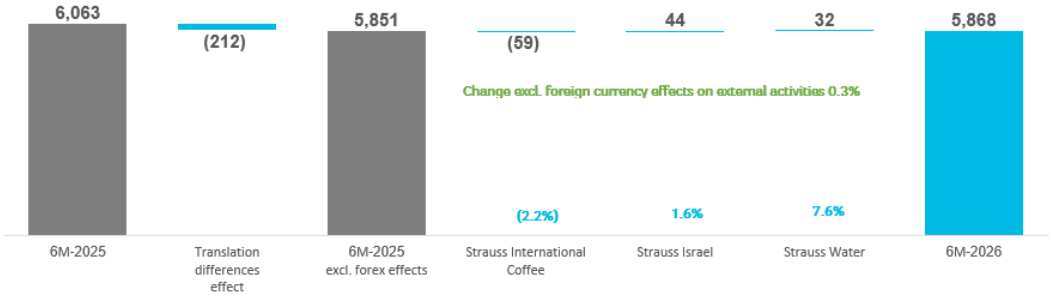


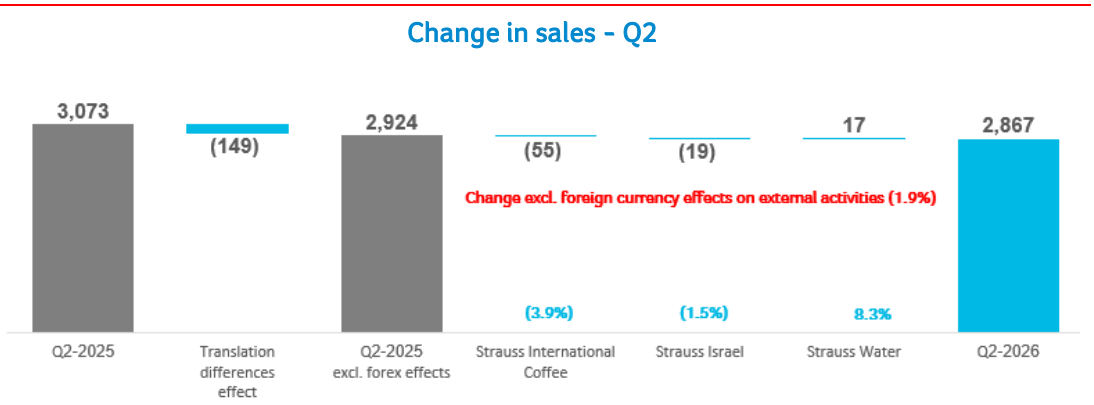
Financial data were rounded to NIS million. Percentage changes were calculated based on the exact figures in NIS thousands.

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:

Change in sales – H1





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 in H1 and Q2 2026 were affected by negative translation differences primarily due to the weakening of the average exchange rate of the Brazilian Real against the Shekel compared to the corresponding period the previous year.

For additional explanations regarding the change in the Group's sales in local currency, see sections 18.1, 18.2 and 18.3 below.

15. Gross profit – non-GAAP

Gross profit – non-GAAP								
	First Half				Q2			
	2026	2025	% change	% change excluding effect of translation differences into NIS	2026	2025	% change	% change excluding effect of translation differences into NIS
Gross profit	1,943	1,649	17.9%	20.9%	986	868	13.6%	17.6%
Gross margin	33.1%	27.2%			34.4%	28.3%		

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 H1 and Q2 2026 were negatively affected by exchange rates largely as a result of the weakening of the average exchange rate of the Brazilian Real against the Shekel compared to the corresponding periods 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

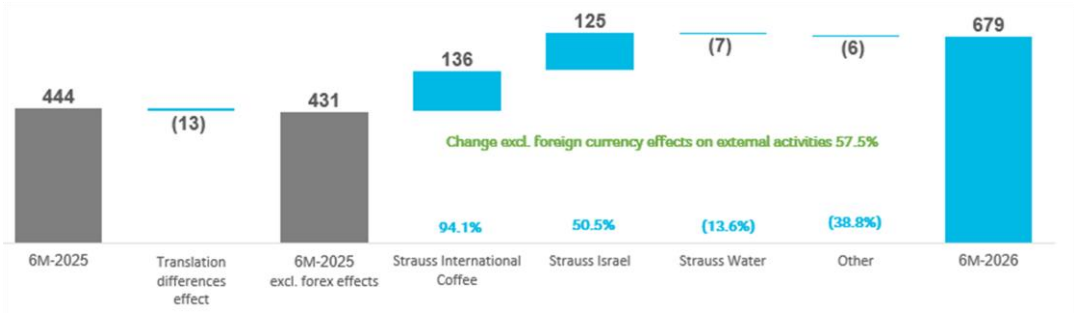
Operating profit – non-GAAP								
	First Half				Q2			
	2026	2025	% change	% change excluding effect of translation differences into NIS	2026	2025	% change	% change excluding effect of translation differences into NIS
Operating profit *	679	444	52.9%	57.5%	363	255	41.9%	47.3%
Operating margin	11.6%	7.3%			12.6%	8.3%		

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

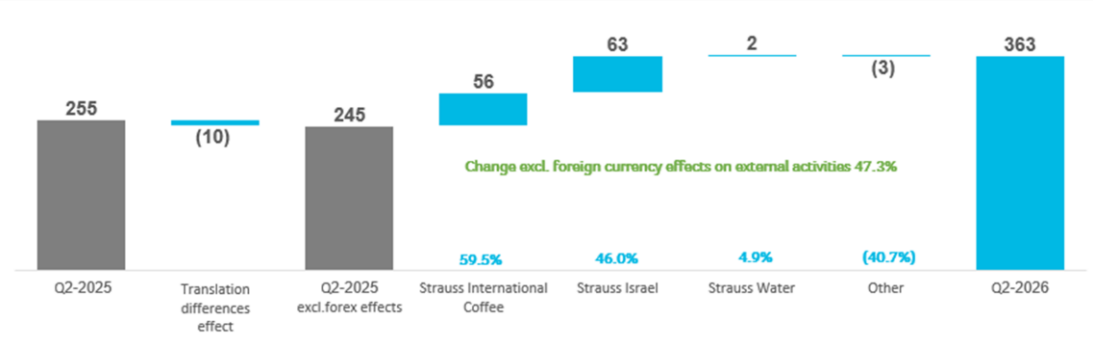
* Beginning in Q1 2026, the Group's management determined that the incubator activity (TheKitchenHub) no longer constitutes a component of business activity that is regularly reviewed by management for the purpose of evaluating business performance or allocating resources. Therefore, this activity is not included in management reporting, and the comparative figures were restated in the management reports in the amount of approximately NIS 18 million and NIS 10 million for the first half and Q2 ended June 30, 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 – H1



Change in operating profit – Q2



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 310 million in H1 2026, compared to comprehensive income of NIS 247 million in the corresponding period the previous year. In H1 2026, the losses from translation differences, which are the main component of other comprehensive income, amounted to approximately NIS 104 million, compared to a foreign currency translation gain of approximately NIS 45 million in the corresponding period the previous year.

Comprehensive GAAP income in Q2 2026 amounted to approximately NIS 124 million, compared to a comprehensive loss of approximately NIS 20 million in the same period the previous year. In Q2 2026, the losses from translation differences, which are the main component of other comprehensive income, amounted to approximately NIS 119 million, compared to a foreign currency translation loss of approximately NIS 111 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							
	First Half			Q2			Explanation
	2026	2025	% change	2026	2025	% change	
The Group's sales in Israel	3,187	3,108	2.5%	1,521	1,520	0.1%	The increase in sales is primarily attributable to greater volume, revised sale prices (due to higher raw material prices), which was partially offset by a negative mix. Additionally, the increase in sales at the Strauss Water Israel 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 results, based on the management (non-GAAP) reports, for the Israel activity by segment for H1 and the quarters ended June 30, 2026 and 2025:

Condensed operating results - The Israel Activity							
	First Half			Q2			Explanation
	2026	2025	% change	2026	2025	% change	
Net sales	2,759	2,715	1.6%	1,300	1,319	(1.5%)	The increase in sales in H1 is attributable to greater volume and revised sale prices in 2025 (due to higher raw material prices), which were partially offset by a negative mix. In Q2, the decline in sales was primarily impacted by the sale of the Cafe Elite chain in 2025 as well as due to stopping to distribute certain chilled products.
Gross profit	1,025	911	12.6%	500	462	8.2%	In H1, the improvement in gross profit is primarily due to growth in sales, forex benefits, and productivity measures. An improvement was also recorded due to the recording of cocoa commodity derivative losses in Q1 2025. In Q2, the improvement is derived from forex benefits and from productivity measures.
% gross profit	37.2%	33.5%		38.4%	35.0%		
Operating profit	373	248	50.5%	198	135	46.0%	The improvement in operating profit and margin is primarily due to improved gross profit as stated above as well as due to a one-off receipt of insurance indemnification due to a settlement arrangement in a derivative action of NIS 27 million recorded in Q2 2026. For more information see section 6.3 of the Condensed Consolidated Interim Financial Statements as of June 30, 2026. An improvement in H1 was also recorded due to the recording of cocoa commodity derivative losses in Q1 2025.
% operating profit	13.5%	9.1%		15.2%	10.3%		

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

1) After neutralizing the "Café Elite" chain activity, the sales in H1 increased by approximately 3.2%, and in Q2 sales remained unchanged.

Condensed results by segment

Condensed operating results - The Israel Activity by segment							
	First Half			Q2			Explanation
	2026	2025	% change	2026	2025	% change	
Health & Wellness segment							
Net sales	1,579	1,548	2.1%	804	806	(0.1%)	The increase in sales in H1 is due to growth in volume, along with a revision of sale prices in 2025 following the government's decision to revise controlled product pricing which were offset by stopping the distribution of certain chilled products. In Q2, the decline in sales was primarily impacted by stopping the activity involving the distribution of certain chilled products. The increase in profit in Q2 and H1 is due to greater sales and the implementation of productivity measures.
Cost of sales	973	966	0.8%	489	499	(2.2%)	
Operating profit	207	201	3.3%	117	113	4.3%	
% operating profit	13.1%	13.0%		14.6%	14.0%		
Fun & Indulgence (Snacks and Confectionery) segment							
Net sales	734	695	5.6%	306	301	1.8%	The increase in sales in Q2 and H1 is attributable to revised sales prices due to increased raw material prices. In H1, the increase in profit and margin is due to recording losses for cocoa commodity derivatives in Q1 2025, as well as a one-off receipt of insurance indemnification of NIS 27 million recorded in Q2 2026. For more information see section 6.3 of the Condensed Consolidated Interim Financial Statements as of June 30, 2026. The improvement in income in Q2 is due to gross profit as well as recording a one-off receipt of insurance indemnification as stated above.
Cost of sales	493	543	(9.3%)	200	221	(9.7%)	
Operating profit	92	(15)	N/A	52	1	3353.0%	
% operating profit	12.5%	(2.1%)		16.7%	0.5%		
Fun & Indulgence (Israel Coffee) segment							
Net sales [1]	446	472	(5.6%)	190	212	(11.1%)	The decrease in sales in H1 was due to the sale of the Elite Coffee chain activity in 2025. The improvement in profit and margin is due to the strengthening of the Shekel, productivity measures and improvement with the mix, which were offset by greater advertising expenses.
Cost of sales	268	295	(9.3%)	111	137	(19.0%)	
Operating profit	74	62	18.5%	29	21	35.0%	
% operating profit	16.6%	13.2%		15.4%	10.1%		

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

1) After neutralizing the "Café Elite" chain activity, the sales in H1 increased by approximately 3.5%, and in Q2 sales decreased by approximately 3.1%.

- 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 June 30, 2026, trade payables included in the reverse factoring arrangement with the Israel activity amounted to approximately NIS 84 million (as of June 30, 2025: NIS 84 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 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, 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.

After a multiyear trend of price increases in Arabica and Robusta coffee (from 2021 through 2025), in H1 2026 there was a periodical decline in green coffee prices which at this stage has primarily impacted the cost of materials and sale prices in Brazil. The trend reversed in June and coffee prices again started to rise. 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.

Further to Note 15.2 to the 2025 Annual Financial Statements regarding supplier finance arrangements, as of June 30, 2026, trade payables included in the reverse factoring arrangement with the International Coffee activity amounted to approximately NIS 396 million (as of June 30, 2025: NIS 419 million).

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

Presented below are the condensed results of the International Coffee activity, based on the management (non-GAAP) reports, for the first half ended June 30, 2026 and 2025 (in NIS million):

Condensed operating results - International Coffee activity				
	First Half			Explanation
	2026	2025	% change	
Net sales	2,656	2,924	(9.1%)	The decline in sales is primarily attributable to changes in the exchange rate due to the strengthening of the Shekel mainly against the Brazilian Real and a decline in sale prices in Três Corações's due to a decline in green coffee prices, and was partially offset by higher sales volume in most operating countries. For more information please refer to "International Coffee activity sales by major geographical regions" in section 18.2.1 below.
Cost of sales	1,964	2,393	(17.9%)	The decrease in cost of sales is due to a decline in green coffee prices, primarily in Brazil.
Operating profit	280	157	78.2%	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 Três Corações's and higher variable operating and marketing expenses.
% operating profit	10.5%	5.4%		

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

Presented below are the condensed results of the International Coffee activity, based on the management (non-GAAP) reports, for the quarters ended June 30, 2026 and 2025 (in NIS million):

Condensed operating results - International Coffee activity				
	Q2			Explanation
	2026	2025	% change	
Net sales	1,334	1,536	(13.1%)	The decline in sales is primarily attributable to changes in the exchange rates, primarily due to the strengthening of the Shekel against the Brazilian Real and a decline in sale prices in Três Corações's due to a decline in green coffee prices, and was partially offset by higher sales volume in most operating countries. For more information please refer to "International Coffee activity sales by major geographical regions" in section 18.2.1 below.
Cost of sales	968	1,238	(21.8%)	The decrease in cost of sales is primarily due to a decline in green coffee prices.
Operating profit	148	102	44.3%	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 Três Corações's and higher variable operating and marketing expenses.
% operating profit	11.1%	6.7%		

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 first half ended June 30, 2026 and 2025 (in NIS million):

International Coffee activity sales by major geographical regions					
Geographical region	First Half				Explanation
	2026	2025	% change	% change in local currency (1)	
Brazil - 50% of Três Corações (2) (3)	1,856	2,120	(12.4%)	(7.1%)	The decline in Três Corações's sales in local currency is largely due to lower sales prices following the decline in green coffee prices which was partially offset by higher sales volume. The Company's sales were adversely impacted by the strengthening of the Shekel against the Brazilian Real by approximately NIS 125 million. See section 18.2.2 below for more information.
Russia	308	295	4.3%	11.4%	The growth in sales in local currency is due to revised sales prices as well as increased sales volume. The Company's sales were negatively affected by the strengthening of the Shekel against the Ruble, with the effect amounting to approximately NIS 17 million.
Poland	288	288	0.2%	11.4%	Sales growth in local currency is due to revised sales prices and greater sales volumes. Sales were adversely impacted by the strengthening of the Shekel against the Polish Zloty, with the effect amounting to approximately NIS 30 million.
Romania	117	129	(9.7%)	3.2%	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 16 million.
Ukraine	87	92	(4.9%)	18.4%	The growth in sales in local currency is due to revised sales prices as well as increased sales volume. The Company's sales were negatively affected by the strengthening of the Shekel against the Hryvnia, with the effect amounting to approximately NIS 18 million.
Total International Coffee	**2,656**	**2,924**	**(9.1%)**	**(2.2%)**	

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.

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 June 30, 2026 and 2025 (in NIS million):

International Coffee activity sales by major geographical regions					
Geographical region	Q2				Explanation
	2026	2025	% change	% change in local currency (4)	
Brazil - 50% of Três Corações (5) (6)	945	1,112	(15.0%)	(8.2%)	The decline in Três Corações's sales in local currency is due to revised sales prices and was partially offset by greater sales volume. The Company's sales were adversely impacted by the strengthening of the Shekel against the Brazilian Real by approximately NIS 85 million. See section 18.2.2 below for more information.
Russia	157	163	(4.0%)	7.4%	Sales growth in local currency is due to revised sales prices as well as an increase in sales volume. The Company's sales were negatively affected by the strengthening of the Shekel against the Ruble, with the effect amounting to approximately NIS 17 million.
Poland	132	139	(4.6%)	12.1%	Sales growth in local currency is due to greater sales volume as well as revised sales prices. The Company's sales were adversely impacted by the strengthening of the Shekel against the Polish Zloty, with the effect amounting to approximately NIS 21 million.
Romania	56	73	(24.2%)	(7.6%)	The decline in sales in local currency is primarily due to a decline in sales volume which was partially offset by greater sales prices. The Company's sales were adversely impacted by the strengthening of the Shekel against the Romanian Leu, with the effect amounting to approximately NIS 13 million.
Ukraine	44	49	(10.2%)	15.7%	Sales growth in local currency is primarily due to an increase in sales volume. The Company's sales were negatively affected by the strengthening of the Shekel against the Hryvnia, with the effect amounting to approximately NIS 11 million.
Total International Coffee	**1,334**	**1,536**	**(13.1%)**	**(3.9%)**	

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

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

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

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

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%)) for the first half and quarters ended June 30, 2026 and 2025:

Selected Financial Data on Três Corações (JV)'s Business							
	First Half			Q2			Explanation
	2026	2025	% change in local currency (1)	2026	2025	% change in local currency (1)	
Sales	3,169	3,409	(7.0%)	1,623	1,768	(8.2%)	The decline in sales is largely the result of lower sales prices following the decline in green coffee prices and was partially offset by greater sales volume.
Gross profit	820	597	37.5%	447	351	27.5%	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	25.9%	17.5%		27.5%	19.8%		
Operating profit before other income/expenses	343	188	82.6%	188	140	34.5%	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	10.8%	5.5%		11.6%	7.9%		

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						
	First Half			Q2		
	2026	2025	% change	2026	2025	% change
Sales	1,867	2,131	(12.4%)	950	1,117	(14.9%)
Gross profit	483	374	29.1%	262	222	18.1%
Operating profit before other income/expenses	202	118	71.2%	110	88	25.0%

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.

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 which 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 sale 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 results of Strauss Water, based on the management (non-GAAP) reports, for the first half and the quarters ended June 30, 2026 and 2025 (in NIS million):

Condensed operating results - The Strauss Water activity							
	First Half			Q2			Explanation
	2026	2025	% change	2026	2025	% change	
Net sales	453	424	6.8%	233	218	7.1%	The increase in sales is primarily attributable to growth in the customer base in Israel and the mix of products sold.
Cost of sales	227	217	4.6%	113	110	2.7%	Most of the growth is attributable to an increase in device sales and the mix of products sold.
Operating profit	45	52	(13.9%)	28	26	4.9%	In H1 the operating profit and margin declined primarily due to the impact of Operation "Roaring Lion" on the Q1 results. In Q2 the operating profit increased primarily due to increased sales and operational improvements.
% operating profit	9.9%	12.3%		11.8%	12.1%		

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	First Half			Q2			Explanation
	2026	2025	% change	2026	2025	% change	
Sales	988	934	5.8%	490	478	2.6%	The increase is primarily attributable to the improved sales mix and increased marketing effort.
Net profit	91	103	(12.4%)	35	41	(14.3%)	The decline in net profit is primarily attributable to investments in product development, marketing and improving sales channels.

Financial data were rounded to RMB 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	First Half			Q2		
	2026	2025	% change	2026	2025	% change
Sales	439	463	(5.2%)	213	236	(9.8%)
Net profit	40	51	(21.8%)	15	20	(26.8%)

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. The new plant is anticipated to commence operating in the second half of 2026.

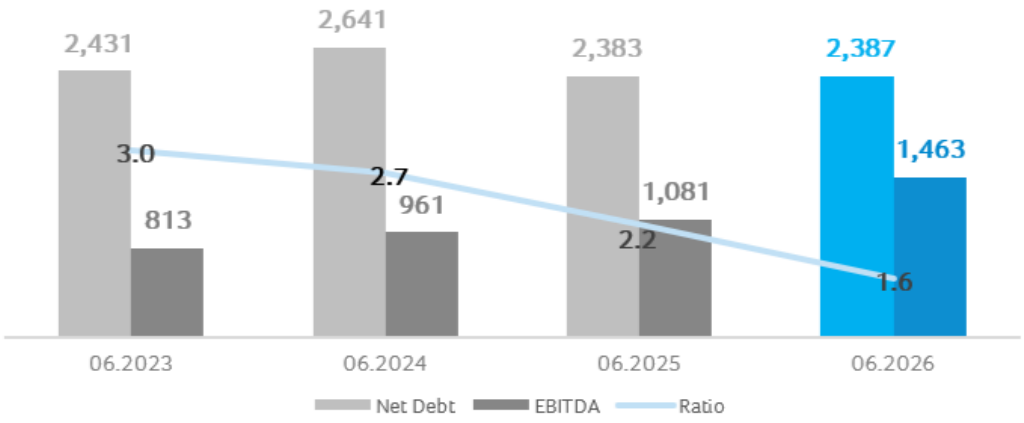
18.4. Other activities

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 Headquarters activity.

LIQUIDITY, SOURCES OF FINANCE AND FINANCIAL POSITION

2,387	2,914	ilAA+	Aa1il	4.81
Net debt	Gross debt	S&P Maalot rating - Stable outlook	Midroog rating-Stable outlook	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 ilAA+ 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 23, 2026, Midroog ratings agency announced that it had left the Company's rating as well as the rating of the Company's debentures unchanged at Aa1.il with a stable outlook, for further information, see the immediate report of June 23, 2026 (reference no: 2026-15-059162).

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 is being 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 ilAA+ 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 Various 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 flows				
	First Half			Explanation
	2026	2025	Change	
Cash flows from operating activities	303	(73)	376	The improvement was primarily due to greater operating profit, a moderate increase in change in working capital, as well as a decline in tax and interest payments.
Cash flows from investment activities	(201)	(239)	38	The change is primarily attributable to a decline in investment in fixed property and intangible assets and receipt of dividends from investees.
Cash flows from financing activities	(79)	(421)	342	The change was primarily attributable to a net increase in short-term and long-term credit resulting from the public issuance of debentures, by way of an expansion of Series F, in Q1 2026, and the payment of a larger dividend to shareholders and to non-controlling interests in the corresponding period last year.

Financial data were rounded to NIS million.

Cash flows				
	Q2			Explanation
	2026	2025	Change	
Cash flows from operating activities	146	20	126	The change is primarily attributable to an increase in operating profit relative to the corresponding period last year.
Cash flows from investment activities	(67)	(134)	67	The change is primarily attributable to a decline in investments in fixed property and intangible assets.
Cash flows from financing activities	(574)	81	(655)	The change is primarily attributable to a net decline in short and long-term credit as well as the payment of a larger dividend to shareholders compared with the corresponding period year-over-year.

Financial data were rounded to NIS million.

19.3 Average credit levels

Presented below is information on average credit levels:

Average credit levels							
	First Half			Q2			Explanation
	2026	2025	Change	2026	2025	Change	
Long-term credit according to the non-GAAP reports	3,726	3,146	580	3,816	3,144	672	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	66	261	(195)	43	234	(191)	
Long-term credit according to the financial accounting (GAAP) reports	3,049	2,464	585	3,112	2,451	661	
Average short-term credit according to the financial accounting (GAAP) reports	15	235	(220)	8	219	(211)	

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				
	First Half		Q2	
	2026	2025	2026	2025
Change in net working capital according to the financial accounting (GAAP) reports	(276)	(445)	(172)	(132)
Change in net working capital according to the management (non-GAAP) reports	(431)	(811)	(156)	(194)

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 June 30, 2026	As of June 30, 2025	As of December 31, 2025
Liquidity ratio	1.04	1.03	1.03
Liabilities in respect of long-term loans and credit (including current maturities)	2,907	2,601	2,558
Short-term credit (excluding current maturities)	7	161	70
Supplier credit	1,338	1,421	1,530
Ratio of equity attributable to shareholders of the Company to total assets on the consolidated statement of financial position	36.2%	35.7%	37.1%
Financial net debt-to-EBITDA ratio	1.6	2.2	1.7
Equity attributed to the Company's shareholders	3,292	3,125	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 (the "separate report" or "solo report") for Q2 2026, there is a working capital deficit of approximately NIS 515 million. In the Company's Consolidated Financial Statements for Q2 2026, there is a working capital surplus of approximately NIS 120 million. Neither the Consolidated Financial Statements nor the solo report present a protracted negative cash flow from operating activities. In view of the working capital deficit in the solo report, on August 11, 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 June 30, 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. These assessments may not materialize, in whole or in part, or may materialize differently, including materially differently, 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 June 30, 2026:

Information on the Debenture Series			
		Series E Debentures	Series F Debentures
A	Nominal par value	121	2,038
B	Carrying amount of debentures	120	1,838
C	Carrying amount of interest payable	-	-
D	Market value	120	1,824

Financial data were rounded to NIS million.

As of June 30, 2026, equity attributable to the Company's shareholders was NIS 3,292 million, the financial net debt-to-EBITDA ratio according to the Financial Statements was 1.6, and the equity-to-assets ratio was 36.2%. As of June 30, 2026, the Company is compliant with the required covenants. For more information about the financial covenants/criteria 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 for the 2025 annual period is anticipated to be released in August 2026. The report is written according to GRI and SASB standards. External assurance is also being performed this year by a third party in line with International Standard on Assurance Engagements (ISAE) 3000. During the reporting period, the Group continued to conduct validation of its 2030 sustainability strategy and targets.

Highlights in Q2 2026:

Nutrition and a healthy lifestyle

In Q2 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 Q2 2026, the Group continued to implement its plan to reduce waste sent to landfill.

In the area of wastewater treatment, the Group is continuing to formulate an upgrade plan for its wastewater facilities.

CSR and community relations

For Israel's Independence Day, Strauss Coffee, in collaboration with the Israel Association of Community Centers, led the "Thank You to the Founding Generation" initiative to reduce loneliness. As part of its Blue Zones strategy, the Company's employees volunteered in the "Carmel-Kinneret Race", in memory of the late Carmel and Kinneret Gat. In addition, the Company held the "Painting the Future" event in Petah Tikva, in memory of the late Yemane

Zeleke, with the participation of influencers, the Scouts and students from ambassador schools, to raise awareness and combat violence.

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 Kobrinksy who serves as Deputy Chairperson of the Board of Directors since February 2025, the Company's other directors do not provide the Company with services and are not employed by the Company.

For information on the skills, education, experience and knowledge of the directors of the Company, including with regard to directors who possess accounting and financial expertise, see regulation 26 in the Additional Information on the Corporation Chapter in the 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 June 30, 2026.

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

Ofra Strauss	Shai Babad
Chairperson of the Board of Directors	President and CEO

August 11, 2026

Unofficial Translation from Hebrew

Strauss Group Ltd.

Financial Statements
As of June 30, 2026



Unofficial Translation from Hebrew

Strauss Group Ltd.

Condensed Consolidated Interim Financial Statements as of June 30, 2026 (unaudited)

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Unofficial Translation from Hebrew

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

03 684 8000

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 Group") comprising of the condensed consolidated statement of financial position as of June 30, 2026 and the related condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the six and three-month periods 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 these interim periods 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 2.7% of the total consolidated assets as of June 30, 2026, and whose revenues constitute 7.8% and 8.3% of the total consolidated revenues for the six and three month periods 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

Auditors

August 11, 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

Strauss Group Ltd.

Condensed consolidated interim statements of financial position

	June 30 2026	June 30 2025	December 31 2025
	Unaudited	Unaudited	Audited
		NIS millions	
Current Assets			
Cash and cash equivalents	527	379	535
Trade receivables	1,212	1,235	1,208
Income tax	26	14	28
Accounts and other receivables	243	278	225
Inventory	1,128	1,230	1,100
Assets held for sale	1	-	1
Total current assets	3,137	3,136	3,097
Investments and non-current assets			
Investment in equity-accounted investees	1,796	1,572	1,639
Other investments and long-term receivables	147	127	147
Fixed assets	2,600	2,451	2,536
Right-of-use assets	323	303	283
Intangible assets	1,060	1,112	1,087
Investment property	4	4	4
Deferred tax assets	25	38	23
Total investments and non-current assets	5,955	5,607	5,719
Total assets	9,092	8,743	8,816

Ofra Strauss	Shai Babad	Tobi Fischbein
Chairperson of the Board of Directors	President and CEO	CFO

August 11, 2026
Financial statements approval date

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

Strauss Group Ltd.

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

	June 30 2026	June 30 2025	December 31 2025
	Unaudited	Unaudited	Audited
		NIS millions	
Current liabilities			
Current maturities of debentures	241	203	203
Short-term credit and current maturities of long-term loans and other long-term liabilities	323	398	297
Current maturities of lease liabilities	89	91	86
Trade payables	1,338	1,421	1,530
Income tax	240	155	163
Other accounts payable	745	748	694
Dividend payable	14	-	-
Provisions	27	28	25
Total current liabilities	3,017	3,044	2,998
Non-current liabilities			
Debentures	1,717	1,382	1,392
Long-term loans and other long-term liabilities	294	462	437
Lease liabilities	250	226	213
Long-term payables and credit balances	25	25	17
Employee benefits, net	27	28	29
Deferred tax liabilities	100	127	107
Total non-current liabilities	2,413	2,250	2,195
Equity and reserves			
Share capital	254	253	253
Share premium	1,051	1,051	1,051
Reserves	(2,368)	(2,147)	(2,264)
Retained earnings	4,355	3,968	4,232
Total equity attributable to shareholders of the Company	3,292	3,125	3,272
Non-controlling interests	370	324	351
Total equity	3,662	3,449	3,623
Total liabilities and equity	9,092	8,743	8,816

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

Strauss Group Ltd.

Condensed consolidated interim statements of income

	For the six-month period ended		For the three-month period ended		For the year ended
	June 30 2026	June 30 2025	June 30 2026	June 30 2025	December 31 2025
	Unaudited		Unaudited		Audited
	NIS millions				
Sales	3,829	3,762	1,843	1,875	7,823
Cost of sales	2,452	2,567	1,117	1,292	5,322
Gross profit	1,377	1,195	726	583	2,501
Selling and marketing expenses	700	677	341	337	1,381
General and administrative expenses	281	250	142	129	547
	981	927	483	466	1,928
Share of income of equity-accounted investees	205	123	107	76	360
Share of loss of equity-accounted incubator investees	(15)	(18)	(9)	(10)	(46)
Operating profit before other income (expenses)	586	373	341	183	887
Other income	28	6	27	5	13
Other expenses	(3)	(10)	(2)	-	(63)
Other income (expenses), net	25	(4)	25	5	(50)
Operating profit	611	369	366	188	837
Financing income	18	17	8	5	20
Financing expenses	(136)	(94)	(85)	(69)	(204)
Financing expenses, net	(118)	(77)	(77)	(64)	(184)
Profit before taxes on income	493	292	289	124	653
Income tax expenses	(80)	(90)	(47)	(33)	(156)
Profit for the period	413	202	242	91	497
Attributed to:					
Shareholders of the Company	359	150	213	64	404
Non-controlling interests	54	52	29	27	93
Profit for the period	413	202	242	91	497
Earnings per share					
Basic earnings per share (in NIS)	3.06	1.28	1.81	0.55	3.47
Diluted earnings per share (in NIS)	3.03	1.28	1.81	0.55	3.46

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

Strauss Group Ltd.

Condensed consolidated interim statements of comprehensive income

	For the six-month period ended		For the three-month period ended		For the year ended
	June 30 2026	June 30 2025	June 30 2026	June 30 2025	December 31 2025
	Unaudited		Unaudited		Audited
	NIS millions				
Income for the period	413	202	242	91	497
Other comprehensive income (loss) items reclassified to profit or loss in subsequent periods:					
Foreign currency translation differences	(73)	52	(42)	(26)	7
Other comprehensive loss from equity-accounted investees	(31)	(7)	(77)	(85)	(80)
Total other comprehensive income (loss) items for the period that will be reclassified to profit or loss in subsequent periods, net	(104)	45	(119)	(111)	(73)
Other comprehensive income items not reclassified to profit or loss in subsequent periods, net:					
Changes in employee benefits, net	1	-	1	-	-
Total other comprehensive income (loss) items not reclassified to profit or loss in subsequent periods, net	1	-	1	-	-
Comprehensive income (loss) for the period	310	247	124	(20)	424
Attributed to:					
Shareholders of the Company	256	195	95	(47)	332
Non-controlling interests	54	52	29	27	92
Comprehensive income (loss) for the period	310	247	124	(20)	424

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

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 non-controlling interests	Translation reserve	Retained earnings	Total	Non-controlling interests	Total equity
	NIS millions								
For the six-month period ended June 30, 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 (loss) for the period									
Income for the period	-	-	-	-	-	359	359	54	413
Components of other comprehensive income (loss):									
Foreign currency translation differences	-	-	-	-	(73)	-	(73)	-	(73)
Other comprehensive loss from equity-accounted investees	-	-	-	-	(31)	-	(31)	-	(31)
Changes in employee benefits, net	-	-	-	-	-	1	1	-	1
Total other comprehensive income (loss) for the period,	-	-	-	-	(104)	1	(103)	-	(103)
Total comprehensive income (loss) for the period	-	-	-	-	(104)	360	256	54	310
Warrants awarded to employees exercised into shares	1	-	-	-	-	-	1	-	1
Share-based payments	-	-	-	-	-	13	13	-	13
Dividend to Company shareholders	-	-	-	-	-	(250)	(250)	-	(250)
Dividend to non-controlling interests in subsidiaries	-	-	-	-	-	-	-	(35)	(35)
Balance as of June 30, 2026	254	1,051	(20)	(430)	(1,918)	4,355	3,292	370	3,662

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

Strauss Group Ltd.

Condensed statements of changes in equity (Cont'd)

	Attributable to shareholders of the Company								
	Share capital	Share premium	Treasury stock	Reserve for transactions with non-controlling interests	Translation reserve	Retained earnings	Total	Non-controlling interests	Total equity
	NIS millions								
For the six-month period ended June 30, 2025 - unaudited:									
Balance as of January 1, 2025	253	1,051	(20)	(430)	(1,742)	4,167	3,279	317	3,596
Total comprehensive income for the period									
Income for the period	-	-	-	-	-	150	150	52	202
Components of other comprehensive income (loss):									
Foreign currency translation differences	-	-	-	-	52	-	52	-	52
Other comprehensive loss from equity-accounted investees	-	-	-	-	(7)	-	(7)	-	(7)
Total other comprehensive income for the period, net	-	-	-	-	45	-	45	-	45
Total comprehensive income for the period	-	-	-	-	45	150	195	52	247
Share-based payments	-	-	-	-	-	11	11	-	11
Dividend to Company shareholders	-	-	-	-	-	(360)	(360)	-	(360)
Dividend to non-controlling interests in subsidiaries	-	-	-	-	-	-	-	(45)	(45)
Balance as of June 30, 2025	253	1,051	(20)	(430)	(1,697)	3,968	3,125	324	3,449

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

Strauss Group Ltd.

Condensed statements of changes in equity (Cont'd)

	Attributable to shareholders of the Company								
	Share capital	Share premium	Treasury stock	Reserve for transactions with non-controlling interests	Translation reserve	Retained earnings	Total	Non-controlling interests	Total equity
	NIS millions								
For the three-month period ended June 30, 2026 - unaudited:									
Balance as of April 1, 2026	254	1,051	(20)	(430)	(1,799)	4,135	3,191	377	3,568
Total comprehensive income (loss) for the period									
Income for the period	-	-	-	-	-	213	213	29	242
Components of other comprehensive income (loss):									
Foreign currency translation differences	-	-	-	-	(42)	-	(42)	-	(42)
Other comprehensive loss from equity-accounted investees	-	-	-	-	(77)	-	(77)	-	(77)
Changes in employee benefits, net	-	-	-	-	-	1	1	-	1
Total other comprehensive income (loss) for the period, net	-	-	-	-	(119)	1	(118)	-	(118)
Total comprehensive income (loss) for the period	-	-	-	-	(119)	214	95	29	124
Share-based payments	-	-	-	-	-	6	6	-	6
Transaction with non-controlling interests	-	-	-	-	-	-	-	(1)	(1)
Dividend to non-controlling interests in subsidiaries	-	-	-	-	-	-	-	(35)	(35)
Balance as of June 30, 2026	254	1,051	(20)	(430)	(1,918)	4,355	3,292	370	3,662

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

Strauss Group Ltd.

Condensed statements of changes in equity (Cont'd)

	Attributable to shareholders of the Company								
	Share capital	Share premium	Treasury stock	Reserve for transactions with non-controlling interests	Translation reserve	Retained earnings	Total	Non-controlling interests	Total equity
	NIS millions								
For the three-month period ended June 30, 2025 - unaudited:									
Balance as of April 1, 2025	253	1,051	(20)	(430)	(1,586)	3,899	3,167	342	3,509
Total comprehensive income (loss) for the period									
Income for the period	-	-	-	-	-	64	64	27	91
Components of other comprehensive income (loss):									
Foreign currency translation differences	-	-	-	-	(26)	-	(26)	-	(26)
Other comprehensive loss from equity-accounted investees	-	-	-	-	(85)	-	(85)	-	(85)
Total other comprehensive loss for the period, net	-	-	-	-	(111)	-	(111)	-	(111)
Total comprehensive income (loss) for the period	-	-	-	-	(111)	64	(47)	27	(20)
Share-based payments	-	-	-	-	-	5	5	-	5
Dividend to non-controlling interests in subsidiaries	-	-	-	-	-	-	-	(45)	(45)
Balance as of June 30, 2025	253	1,051	(20)	(430)	(1,697)	3,968	3,125	324	3,449

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



Condensed statements of changes in equity (Cont'd)

	Attributable to shareholders of the Company								
	Share capital	Share premium	Treasury stock	Reserve for transactions with non-controlling interests	Translation reserve	Retained earnings	Total	Non-controlling interests	Total equity
	NIS millions								
For the year ended December 31, 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									
Profit for the year	-	-	-	-	-	404	404	93	497
Components of other comprehensive income (loss):									
Foreign currency translation differences	-	-	-	-	8	-	8	(1)	7
Other comprehensive income from equity-accounted investees	-	-	-	-	(80)	-	(80)	-	(80)
Total other comprehensive 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	253	1,051	(20)	(430)	(1,814)	4,232	3,272	351	3,623

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

Unofficial Translation from Hebrew

Strauss Group Ltd.

Condensed consolidated interim statements of cash-flows

	For the six-month period ended		For the three-month period ended		For the year ended
	June 30 2026	June 30 2025	June 30 2026	June 30 2025	December 31 2025
	Unaudited		Unaudited		Audited
	NIS millions				
Cash flows from operating activities					
Income for the period	413	202	242	91	497
Adjustments:					
Depreciation	144	141	74	70	281
Amortization of intangible assets and deferred expenses	42	35	21	18	72
Impairment of intangible assets and assets held for sale	-	2	-	-	35
Capital gain, net, on sale of fixed assets, a subsidiary, business of a subsidiary and an equity-accounted investee	-	(2)	-	(3)	(7)
Expenses for share-based payments	13	11	6	5	21
Financing expenses, net	118	77	77	64	184
Income tax expenses	80	90	47	33	156
Share of income of equity-accounted investees	(190)	(105)	(98)	(66)	(314)
Change in inventory	(67)	(203)	(46)	(21)	(98)
Change in trade and other receivables	90	(132)	221	(57)	(37)
Change in long-term receivables	(2)	(67)	(1)	(33)	(90)
Change in trade and other payables	(298)	(43)	(346)	(21)	(24)
Change in employee benefits	1	-	-	-	1
Interest paid	(59)	(71)	(42)	(46)	(132)
Interest received	18	14	8	5	21
Income tax paid	(59)	(45)	(22)	(19)	(130)
Income tax received	59	23	5	-	25
Net cash deriving from (used in) operating activities	303	(73)	146	20	461
Cash flows from investment activities					
Proceeds from sale of fixed assets and intangible assets	3	1	2	1	3
Investment in fixed assets	(186)	(199)	(74)	(93)	(395)
Investment in intangible assets	(47)	(56)	(26)	(30)	(102)
Proceeds from sale of investments	-	2	-	-	-
Proceeds from sale of business by subsidiary	2	1	2	1	2
Repayment of deposits and loans granted	33	75	29	23	98
Repayment (provision) of short-term loans, net	-	(1)	-	-	2
Consideration from sale of investments in non-consolidated investees	-	-	-	-	3
Grant of long-term loans and deposits	(17)	(55)	-	(30)	(73)
Taxes (paid) received 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)	(7)	-	(6)	(8)
Net cash used in investing activities	(201)	(239)	(67)	(134)	(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 six-month period ended		For the three-month period ended		For the year ended
	June 30 2026	June 30 2025	June 30 2026	June 30 2025	December 31 2025
	Unaudited		Unaudited		Audited
	NIS millions				
Cash flows from financing activities					
Short-term bank credit, net	(62)	(179)	8	102	(268)
Proceeds from issuance of debentures, net of issuance costs	588	461	-	461	461
Receipt of long-term loans	-	105	-	101	6
Redemption of debentures and repayment of long-term loans	(288)	(349)	(287)	(349)	(294)
Proceeds from the issuance of capital notes from non-controlling interests	2	-	-	-	5
Change in liabilities in respect of credit card factoring	5	-	1	(3)	16
Principal payments of lease liability	(50)	(55)	(25)	(27)	(107)
Dividends distributed	(250)	(360)	(250)	(160)	(360)
Dividends paid to non-controlling interests in a subsidiary	(16)	(44)	(16)	(44)	(59)
Tax withholding at source for dividends	(8)	-	(5)	-	3
Net cash deriving from (used in) financing activities	(79)	(421)	(574)	81	(597)
Increase (decrease) in cash and cash equivalents	23	(733)	(495)	(33)	(563)
Cash and cash equivalents at beginning of period	535	1,142	1,047	436	1,142
Effect of exchange rate volatility on cash balances	(31)	(30)	(25)	(24)	(44)
Cash and cash equivalents at end of period	527	379	527	379	535

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

Note 1 – Reporting Rules and Accounting Policies

1.1 General

1.1.1 The reporting entity, Strauss Group Ltd. (the "**Company**" or "**Strauss Group**") is an Israeli resident company, whose address is 49 Hasivim St., Petah 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 47.74% 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 dividend rights 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 accounting policies applied by the Group in these interim financial statements are consistent with those applied 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 August 11, 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 the first quarter of the year 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.

There is no clear seasonality trend in the Fun & Indulgence (Israel Coffee) segment. However, revenues are generally relatively higher in Q1 and Q3 due to increased consumption of coffee products prior to Passover and the Jewish new year festival season, respectively.

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 generally characterized by relatively lower sales due to the increased stocking-up in Q4 described above.

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 six-month period ended		For the three-month period ended		For the year ended
	June 30 2026	June 30 2025	June 30 2026	June 30 2025	December 31 2025
	Unaudited		Unaudited		Audited
	NIS millions				
Income					
Sales to external customers:					
Health & Wellness	1,579	1,548	804	806	3,159
Fun & Indulgence (Snacks and	734	695	306	301	1,395
Fun & Indulgence (Israel Coffee)	446	472	190	212	903
Total Israel	2,759	2,715	1,300	1,319	5,457
International Coffee	2,656	2,924	1,334	1,536	6,155
Water	453	424	233	218	895
Sales to other segments:					
Health & Wellness	3	4	1	2	7
Fun & Indulgence (Snacks and	2	2	1	1	5
Fun & Indulgence (Israel Coffee)	1	1	1	1	2
Total Israel	6	7	3	4	14
International Coffee	0	3	-	1	4
Total segment income	5,874	6,073	2,870	3,078	12,525
Elimination of intersegment sales	(6)	(10)	(3)	(5)	(18)
Total segment income excluding intersegment sales	5,868	6,063	2,867	3,073	12,507
Adjustment to the equity method	(2,039)	(2,301)	(1,024)	(1,198)	(4,684)
Total consolidated income	3,829	3,762	1,843	1,875	7,823

Note 3 - Operating Segments (Cont'd)

	For the six-month period ended		For the three-month period ended		For the year ended
	June 30 2026	June 30 2025	June 30 2026	June 30 2025	December 31 2025
	Unaudited		Unaudited		Audited
	NIS millions				
Operating profit (loss)					
Health & Wellness	207	201	117	113	405
Fun & Indulgence (Snacks and Confectionery)	92	(15)	52	1	12
Fun & Indulgence (Israel Coffee)	74	62	29	21	113
Total Israel	373	248	198	135	530
International Coffee	280	157	148	102	493
Water	45	52	28	26	115
Other	(19)	(13)	(11)	(8)	(72)
Total segment profit	679	444	363	255	1,066
Unallocated income (expenses):					
Adjustments for commodity hedges [(1)]	14	6	45	(17)	15
Other income (expenses), net	[(3)](1)	4	(2)	3	(42)
Share-based payments	(13)	(11)	(6)	(5)	(21)
Share in losses (gains) of equity-accounted incubator investees [(2)]	(15)	(18)	(9)	(10)	(46)
Total segment operating profit	664	425	391	226	972
Adjustment to the equity method	(53)	(56)	(25)	(38)	(135)
Total consolidated operating profit	611	369	366	188	837
Financing expenses, net	(118)	(77)	(77)	(64)	(184)
Profit before taxes on income	493	292	289	124	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 for the incubator activity.

(3) NIS 27 million received as insurance indemnification (see Note 6.3) of the total other income was included in the segment income, therefore no adjustment was made.

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 During the reporting period, secured credit facilities totaling NIS 100 million were repaid, while secured credit facilities totaling NIS 100 million were concurrently renewed for the Company's ongoing operations.

4.3 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). The transaction is based on a cash-free, debt-free basis and agreed normalized working capital, subject to customary adjustments for deviations from those assumptions and to additional reductions agreed in 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 Três Corações Alimentos S.A.'s own resources. 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.

4.4 As of the approval date of the financial statements, the hostilities between Russia and Ukraine are ongoing, and the economic sanctions imposed on Russia by Western countries remain in place. 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 operating results.

4.5 During and subsequent to the reporting period, the State of Israel has faced hostilities of varying intensity. Nevertheless, the Company has continued to operate business as usual, and the war (including the operations) did not have a material impact on the Group's operations or financial results. During the relevant periods, the Company acted to identify solutions and make adjustments, 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 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, 1,331,579 warrants granted to employees were exercised into 372,430 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, the Group filed a motion for leave to reply to the applicants' response, which was based on a summary of the independent committee's report. On June 4, 2026, a pretrial hearing was held, at the conclusion of which the parties agreed to negotiate a framework for resolving the dispute and to update the Court, within 30 days, regarding the manner in which they had agreed to advance the dialogue between them. Accordingly, on June 11, 2026, the first meeting between the parties was held, and they are required to file a joint status update by July 5, 2026. The parties submitted a joint notice to the court on July 5, 2026, in which they gave an update that they had failed to reach an agreement and therefore the applicants are to submit their responses to the pending interim motions by August 10, 2026, while the applicants have to respond by September 30, 2026.

6.3 Further to that stated in Note 21.1.3 to the Annual Financial Statements, regarding the submission of six motions for discovery and production of documents to the Economic Division of the District Court of Tel Aviv-Yafo 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 other position holders 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 agreement 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 amount of compensation and the parties' recommendation regarding legal fees, the award and expenses. Under the settlement agreement, the insurers shall pay NIS 30.5 million, including NIS 27 million, which will be paid to the Company as compensation, and NIS 3.5 million will be paid to the applicant and her legal counsel as an award, legal fees and reimbursement of expenses. In its judgment, the Court determined that the settlement agreement was reasonable and appropriate in the circumstances; served the best interests of the Company and its shareholders; reflected the benefit to the Company inherent in the amount of compensation it would receive under the settlement agreement; and appropriately reflected the assessment of the prospects and risks of the proceeding and the benefit of bringing the proceeding to an end. The judgment became final on June 21, 2026. Accordingly, the Company recognized income from insurance indemnification in its financial results for Q2 2026 in the amount of NIS 27 million. The insurer paid the Company NIS 27 million on August 2, 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**"), 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 Court requesting that it rule on the motion to submit additional evidence and set a date for the hearing of the appeal. It should be clarified that the Group disputes the Commissioner's position and the Group maintains that it acted lawfully with respect to all the allegations raised against it. The Group's legal counsel assess that the likelihood is greater that the appeal, which asserts that the Group did not breach the law, will be granted than of it being rejected. The Strauss officers submitted a motion to establish the procedural schedule for the appeal on July 22, 2026.

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, 1988. The court again extended the stay of proceedings on July 21, 2026, and ordered the parties to submit an update on the matter by September 6, 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 unlikely to be upheld or whose prospects cannot be assessed. The aggregate amount of the claims and demands whose prospects cannot be assessed is no more than approximately NIS 2 million.

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.		
	June 30		December 31	June 30		December 31
	2026	2025	2025	2026	2025	2025
	Unaudited		Audited	Unaudited		Audited
	NIS millions			NIS millions		
Current assets	3,374	2,905	3,334	897	894	846
Of which:						
Cash and cash equivalents	1,158	195	1,126	433	479	574
Non-current assets	1,203	1,224	1,171	210	225	225
Total assets	4,577	4,129	4,505	1,107	1,119	1,071
Current liabilities	1,846	1,690	1,892	476	472	448
Of which:						
Financial liabilities excluding trade payables, other payables and provisions	726	428	620	-	-	-
Non-current liabilities	1,139	1,042	1,265	5	-	6
Of which:						
Financial liabilities excluding trade payables, other payables and provisions	671	956	780	-	-	-
Total liabilities	2,985	2,732	3,157	481	472	454
Total net assets (100%)	1,592	1,397	1,348	626	647	617
Company's share of net	796	699	674	307	317	302
Other adjustments	289	95	265	68	77	73
Carrying amount of investment	1,085	794	939	375	394	375

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 six-months ended		For the three months ended		For the year ended	For the six-months ended		For the three months ended		For the year ended
	June 30 2026	June 30 2025	June 30 2026	June 30 2025	December 31 2025	June 30 2026	June 30 2025	June 30 2026	June 30 2025	December 31 2025
	Unaudited		Unaudited		Audited	Unaudited		Unaudited		Audited
	NIS millions					NIS millions				
Income	3,735	4,263	1,901	2,234	8,703	437	463	211	236	928
Income for the period	318	144	176	110	541	46	52	18	20	80
Other comprehensive income (loss)	(17)	48	(76)	(62)	(36)	(27)	(49)	(32)	(69)	(75)
Total comprehensive income (loss)	301	192	100	48	505	19	3	(14)	(49)	6
Of which:										
Depreciation and amortization	44	44	21	22	90	7	9	3	5	17
Interest income	74	18	39	5	56	2	3	-	2	5
Interest expenses	104	93	52	50	129	1	-	1	(1)	6
Tax income (expense)	(56)	(24)	(31)	(24)	(95)	(11)	(12)	(4)	(5)	(17)
Company's share in comprehensive income (loss)	151	96	50	24	252	9	1	(7)	(24)	2
Other adjustments	(5)	4	(15)	(4)	(7)	(1)	(1)	-	-	(4)
Share of comprehensive income (loss) presented in the books	146	100	35	20	245	8	-	(7)	(24)	(2)

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 presentation currency of the investee's financial statements is the Brazilian real.

Presented below are the average exchange rates and the changes in the exchange rate of the Brazilian real against the shekel during the reporting period:

	Brazilian Real exchange rate		
	Average exchange rate for the period	**Closing exchange rate for the period**	**% change based on closing exchange rate**
For the six-month period ended:			
June 30, 2026	0.59	0.58	(1.1%)
June 30, 2025	0.62	0.61	4.0%
For the three-month period ended:			
June 30, 2026	0.59	0.58	(3.0%)
June 30, 2025	0.63	0.61	(0.3%)
For the year ended December 31, 2025	0.62	0.58	(1.5%)

From the beginning of 2026 until proximate to the publication date of the report, the shekel weakened by approximately 1.3% against the Brazilian real.

7.3 More information

In Q2 2026, Três Corações Alimentos S.A., a material equity-accounted investee of the Group in Brazil, which is a joint venture owned by the subsidiary Strauss Coffee B.V. (50%) and Sao Miguel FIP (50%), received additional tax assessments in connection with an ongoing tax dispute with the Brazilian tax authorities relating to the period between June 2018 and March 2024 regarding the calculation of state value-added tax (ICMS), the Group's share of which amounts to BRL 48.8 million (approximately NIS 28 million). The Group's total exposure, based on its share in the joint venture, following receipt of the additional assessments is BRL 77.6 million (approximately NIS 44.8 million). Based on the opinions of the external legal counsel and tax advisors of Três Corações Alimentos S.A., the likelihood of loss is estimated at less than 50%. Accordingly, no provision was recognized in the financial statements in respect of this exposure.

Note 8 - Financial Instruments

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

The carrying amounts of cash and cash equivalents, short- and long-term deposits and investments, trade receivables, other accounts receivable, trade payables and other accounts payable are equal to or approximate their fair values. 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:

	June 30, 2026		June 30, 2025		December 31, 2025	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
	Unaudited				Audited	
	NIS millions					
Series E Debentures	120	120	241	235	241	238
Series F Debentures	1,838	1,824	1,344	1,263	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 identical instruments.
- Level 2: Observable inputs, directly or indirectly, other than those included in Level 1 above.
- Level 3: Inputs that are not based on observable market data (unobservable inputs).

	June 30, 2026			June 30, 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	39	5	10	76	1	4	30	1	10
Derivatives payables	(23)	(21)	-	(89)	(12)	-	(38)	(11)	-
	*16	(16)	10	(13)	(11)	4	(8)	(10)	10

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 six and three month periods ended June 30, 2026, the Company recorded mark-to-market gains of approximately NIS 0.03 million and NIS 21.9 million, respectively, on commodity (cocoa) derivatives (in the six-month period ended June 30, 2025, the Company recorded a mark-to-market loss of approximately NIS 5.5 million and in the three-month period ended June 30, 2025, the Company had a gain of approximately NIS 0.1 million on commodity (cocoa) derivatives, respectively). The Company has a net asset balance as of June 30, 2026, of approximately NIS 11.8 million related to said commodities, which is included within derivatives receivable (as of June 30, 2025, the Company had a net asset of approximately NIS 0.6 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	None
Name of rating company	Midroog, Maalot
Rating on issuance date	Aa1.il; ilAA+

As of June 30, 2026, equity attributable to the Company's shareholders was NIS 3,292 million, the financial debt-to-EBITDA ratio according to the Financial Statements was 1.6, and the equity-to-assets ratio was 36.2%. As of June 30, 2026, the Company is compliant with the required 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.

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

9.1 On August 11, 2026, the Company's Board of Directors resolved to issue a dividend to the shareholders totaling NIS 180 million (approximately NIS 1.54 per share as of the approval date of the financial statements) which is to be paid on September 3, 2026.

9.2 For information on developments in pending claims occurring after the date of the statement of financial position, see Note 6 above.

Unofficial Translation from Hebrew
Strauss Group Ltd.

Separate Financial Information
As of June 30, 2026



Unofficial Translation from Hebrew
Strauss Group Ltd.

Separate Financial Information as of June 30, 2026

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KPMG Somekh Chaikin
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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 Limited Liability (hereinafter – the Company) as of June 30, 2026 and for the six and three month periods ending on the same date. 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 investee companies the investments in which amounted to NIS 206 million as of June 30, 2026, and the profit (loss) from these investee companies amounted to NIS 19 million and NIS 11 million for the six and three month periods ending on the same date, respectively. The financial statements of those companies were reviewed by other auditors whose review reports thereon were furnished to us, and our conclusion, insofar as it relates to amounts emanating from the financial statements of such companies, is based solely on the said review reports 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 reports 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

August 11, 2026

KPMG Somekh Chaikin, an Israeli partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

Condensed Separate Interim Information on the Company's Financial Position

	June 30 2026	June 30 2025	December 31 2025
	Unaudited	Unaudited	Audited
	NIS millions		
Current Assets			
Cash and cash equivalents	167	56	3
Trade receivables	186	189	208
Accounts and other receivables	118	113	106
Investee receivables	235	128	148
Inventory	194	242	227
Total current assets	900	728	692
Investments and non-current assets			
Investment in investee companies	3,573	3,289	3,323
Other investments and long-term receivables	569	559	568
Deferred tax assets	1	-	-
Right-of-use assets	208	212	191
Fixed assets	1,158	1,087	1,127
Investment property	3	3	3
Intangible assets	206	198	204
Total investments and non-current assets	5,718	5,348	5,416
Total assets	6,618	6,076	6,108

Ofra Strauss	Shai Babad	Tobi Fischbein
Chairperson of the Board of Directors	President and CEO	CFO

August 11, 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)

	June 30 2026 Unaudited	June 30 2025 Unaudited	December 31 2025 Audited
	NIS millions		
Current liabilities			
Current maturities of debentures	241	203	203
Short-term credit and current maturities of long-term loans and other long-term liabilities	-	80	52
Current maturities of lease liabilities	47	50	44
Trade payables	284	285	297
Income tax	193	119	123
Other accounts payable	255	221	266
Investee payables	395	399	283
Total current liabilities	1,415	1,357	1,268
Non-current liabilities			
Debentures	1,717	1,382	1,392
Lease liabilities	171	170	156
Long-term payables and credit balances	8	14	-
Employee benefits, net	15	13	14
Deferred tax liabilities	-	15	6
Total non-current liabilities	1,911	1,594	1,568
Total equity attributable to shareholders of the Company	3,292	3,125	3,272
Total liabilities and equity	6,618	6,076	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 six-month period ended		For the three-month period ended		For the year ended
	June 30 2026	June 30 2025	June 30 2026	June 30 2025	December 31 2025
	Unaudited				Audited
	NIS millions				
Sales	586	561	255	250	1,141
Cost of sales	419	451	155	204	936
Gross profit	167	110	100	46	205
Selling and marketing expenses	87	87	38	45	159
General and administrative expenses	81	65	41	35	174
	168	152	79	80	333
Operating profit (loss) before other income (expenses)	(1)	(42)	21	(34)	(128)
Other income	27	-	27	-	7
Other expenses	(1)	(6)	(1)	(1)	(15)
Other income (expenses), net	26	(6)	26	(1)	(8)
Operating profit (loss)	25	(48)	47	(35)	(136)
Financing income	14	2	6	1	5
Financing expenses	(84)	(45)	(53)	(28)	(108)
Financing expenses, net	(70)	(43)	(47)	(27)	(103)
Loss before taxes on income	(45)	(91)	-	(62)	(239)
Income tax expenses	(2)	(17)	(8)	(2)	(8)
Loss after income tax	(47)	(108)	(8)	(64)	(247)
Income from investees	406	258	221	128	651
Income for the period attributable to shareholders of the Company	359	150	213	64	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 six-month period ended		For the three-month period ended		For the year ended
	June 30 2026	June 30 2025	June 30 2026	June 30 2025	December 31 2025
	Unaudited				Audited
	NIS millions				
Income for the period attributable to shareholders of the Company	359	150	213	64	404
Other comprehensive income (loss) items reclassified to profit or loss in subsequent periods:					
Other comprehensive income (loss) from investees	(104)	45	(119)	(111)	(72)
Total other comprehensive income (loss) items for the period that will be reclassified to profit or loss in subsequent periods, net	(104)	45	(119)	(111)	(72)
Other comprehensive income items not reclassified to profit or loss in subsequent periods:					
Changes in employee benefits, net	1	-	1	-	-
Total other comprehensive income (loss) items not reclassified to profit or loss in subsequent periods, net of tax	1	-	1	-	-
Comprehensive income (loss) for the period attributable to shareholders of the Company	256	195	95	(47)	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 six-month period ended		For the three-month period ended		For the year ended
	June 30 2026	June 30 2025	June 30 2026	June 30 2025	December 31 2025
	Unaudited				Audited
	NIS millions				
Cash flows from operating activities					
Income for the period attributable to shareholders of the Company	359	150	213	64	404
Adjustments:					
Depreciation	65	64	33	33	128
Amortization of intangible assets	20	17	10	8	36
Capital loss, net, and impairment of assets held for sale	-	2	-	-	-
Other expenses, net	-	-	-	-	1
Expenses for share-based payments	11	8	5	4	16
Income from investees	(406)	(258)	(221)	(128)	(651)
Financing expenses, net	70	43	47	27	103
Taxes on income	2	17	8	2	8
Change in inventory	33	(63)	(4)	(14)	(48)
Change in trade and other receivables	16	25	44	13	3
Change in investee receivables	(18)	(21)	(6)	(4)	(10)
Change in trade payables, other payables and provisions	(63)	(100)	(119)	(50)	(74)
Change in investee payables	117	(46)	101	(97)	(52)
Change in employee benefits	1	-	-	-	1
Interest paid	(35)	(33)	(26)	(25)	(58)
Interest received	11	2	4	-	2
Income tax paid	(8)	(7)	(1)	(1)	(43)
Income tax received	53	15	-	-	15
Net cash deriving from (used in) operating activities	228	(185)	88	(168)	(219)
Cash flows from investment activities					
Proceeds from sale of fixed assets	7	4	5	-	5
Investment in fixed assets	(69)	(45)	(24)	(18)	(119)
Investment in intangible assets	(33)	(37)	(20)	(20)	(65)
Repayment of long-term loans granted and deposits	30	71	27	21	92
Grant of long-term loans and deposits	(17)	(53)	-	(29)	(68)
Dividends from investees	5	640	5	105	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	(83)	582	(7)	59	722
Cash flows from financing activities					
Redemption of debentures and repayment of long-term loans	(240)	(203)	(240)	(203)	(306)
Proceeds from issuance of debentures, net of issuance costs	588	461	-	461	461
Short-term bank credit, net	(52)	(242)	-	52	(270)
Dividends distributed	(250)	(360)	(250)	(160)	(360)
Repayment of principal of lease liabilities	(27)	(28)	(13)	(14)	(56)
Net cash deriving from (used in) financing activities	19	(372)	(503)	136	(531)
Net increase (decrease) in cash and cash equivalents	164	25	(422)	27	(28)
Cash and cash equivalents at beginning of period	3	31	589	29	31
Cash and cash equivalents at end of period	167	56	167	56	3

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

Note 1 – Reporting Rules and Accounting 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 June 30, 2026 (hereinafter: the "Consolidated Interim Financial Statements").

The accounting policies applied in this Condensed Separate Interim Financial Information are consistent with the accounting policies 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 June 30, 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

In the Health & Wellness products segment, there is no distinct seasonality trend in sales in the food business. Sales of Fun & Indulgence products in the confectionery category are affected by seasonality and are generally higher (comparatively) in the first third of the year, and lower (comparatively) in the second third of the year. Seasonality is mainly affected by the winter months, which fall in Q1 and are marked by greater consumption of chocolate products as well as by increased consumption of Fun & Indulgence products with the approach of Purim and Passover.

Note 3 - Events in the Reporting Period

3.1 In Q2 2026 investees declared dividends totaling approximately NIS 61 million, approximately NIS 5 million of which has been received.

3.2 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.

Note 6 - Financial Instruments

6.1 Fair value of financial instruments

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

6.2 Fair value hierarchy of financial instruments measured at fair value

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

6.3 Additional Information

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

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

7.1 On August 11, 2026, the Company's Board of Directors approved the payment of a dividend to shareholders of NIS 180 million (approximately NIS 1.54 per share as of the date of the report), which shall be paid on September 3, 2026.

7.2 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 Quarterly Report on the Effectiveness of Internal Control over Financial Reporting and Disclosure, which was attached to the Periodic Report for the period ended March 31, 2026 (hereinafter: the "Latest Quarterly Report on Internal Control"), the Board of Directors and Management of the corporation reached the conclusion that internal control as of March 31, 2026 is effective.

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

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

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

Managers' Declarations:

I, Shai Babad, declare that:

(1) I have reviewed the Quarterly Report of Strauss Group Ltd. (the "Corporation") for the second 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 Quarterly Report as of March 31, 2026) 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.

August 11, 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 second 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 Quarterly Report as of March 31, 2026) 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.

August 11, 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 six and three month period ended June 30, 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 June 30, 2026 condensed consolidated interim financial statements of Três Corações Alimentos S.A ("the Company"), which comprises:

- the condensed consolidated statement of financial position as at June 30, 2026;
- the condensed consolidated statements of income and other comprehensive income for the three-month and six-month periods ended June 30, 2026;
- the condensed consolidated statements of changes in equity for the three-month and six-month periods ended June 30, 2026;
- the condensed consolidated statements of cash flows for the three-month and six-month periods ended June 30, 2026; and
- notes to the interim financial information.

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 these condensed consolidated interim financial statements based on our review.

Scope of Review

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

KPMG Auditores Independentes Ltda., uma sociedade simples brasileira, de responsabilidade limitada e firma-membro da organização global KPMG de firmas-membro independentes licenciadas da KPMG International Limited, uma empresa inglesa privada de responsabilidade limitada.

KPMG Auditores Independentes Ltda., a Brazilian limited liability company and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying June 30, 2026 consolidated interim financial statements is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

Fortaleza, August 04, 2026

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



Pedro Barroso Silva Júnior
Contador CRC CE 021967/O 5

KPMG Auditores Independentes Ltda., uma sociedade simples brasileira, de responsabilidade limitada e firma-membro da organização global KPMG de firmas-membro independentes licenciadas da KPMG International Limited, uma empresa inglesa privada de responsabilidade limitada.

KPMG Auditores Independentes Ltda., a Brazilian limited liability company and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

Três Corações Alimentos S.A.

Condensed Consolidated Interim Statements of Financial Position as of June 30, 2026 and December 31, 2025

(In thousand of Brazilian Reais)

Assets	Note	2026	2025
Current			
Cash and cash equivalents	4	2,012,174	1,934,322
Deposits		1,560	-
Trade receivables		1,790,389	1,492,253
Inventories		1,845,990	2,115,908
Recoverable taxes		128,163	103,720
Income tax receivable		36,504	41,682
Other assets		49,198	41,803
		5,863,978	**5,729,688**
Non-current			
Trade receivables		920	920
Judicial deposits		12,215	9,803
Recoverable taxes		246,781	229,053
Income tax receivable		19,667	21,516
Other assets		101,403	92,759
Deferred tax assets		64,930	58,063
Equity-accounted investees		131,382	114,259
Property, plant and equipment		983,826	953,331
Intangible assets and goodwill		449,241	449,972
Right-of-use assets		80,549	81,776
		2,090,914	**2,011,452**
Total assets		**7,954,892**	**7,741,140**

Liabilities and equity	Note	2026	2025
Current			
Loans and borrowings	4	1,224,515	1,023,315
Trade payables		1,661,040	1,939,216
Lease liabilities		37,767	41,812
Income tax payables		22,790	8,053
Employees and other payroll related liabilities		164,545	137,765
Interest on equity payable		33,855	-
Payable taxes		24,599	64,189
Other liabilities		39,317	37,669
		3,208,428	**3,252,019**
Non-current			
Loans and borrowings	4	1,117,963	1,292,947
Lease liabilities		48,603	46,917
Other liabilities		21,106	24,123
Provision for legal proceedings		83,692	76,574
Proposed dividends		524,367	604,164
Interest on equity payable		184,445	128,575
		1,980,176	**2,173,300**
Equity			
Share capital		1,165,400	1,165,400
Reserves		1,037,972	1,030,336
Retained earnings		562,916	120,085
Total Equity		**2,766,288**	**2,315,821**
Total liabilities and equity		**7,954,892**	**7,741,140**

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

	Note	Six months period ended June 30,		Three months period ended June 30,	
		2026	2025	2026	2025
Revenue	7	6,338,834	6,818,187	3,246,984	3,536,533
Cost of sales	8	(4,698,271)	(5,624,677)	(2,352,245)	(2,835,622)
Gross profit		**1,640,563**	**1,193,510**	**894,739**	**700,911**
Selling and marketing expenses		(836,932)	(697,761)	(458,518)	(364,810)
General and administrative expenses		(129,751)	(125,037)	(65,058)	(62,095)
Allowance for expected credit losses		(4,049)	(3,855)	(2,168)	(41)
Share of profit of equity-accounted investees, net of tax		17,123	9,280	8,801	5,764
Operating profit before other income (expenses)		**686,954**	**376,137**	**377,796**	**279,729**
Other income (expenses), net		2,869	3,134	(88)	(83)
Operating profit		**689,823**	**379,271**	**377,708**	**279,646**
Financial costs		(176,999)	(150,802)	(89,014)	(80,174)
Financial income		121,750	37,889	65,211	11,896
Net finance costs		**(55,249)**	**(112,913)**	**(23,803)**	**(68,278)**
Profit before tax		**634,574**	**266,358**	**353,905**	**211,368**
Income tax	9	(94,743)	(37,356)	(53,368)	(38,019)
Profit for the period		**539,831**	**229,002**	**300,537**	**173,349**

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

	Six months period ended June 30,		Three months period ended June 30,	
	2026	**2025**	**2026**	**2025**
Profit attributable to:	539,831	229,002	300,537	173,349
Items that are or may be reclassified subsequently to profit or loss				
Foreign operations - foreign currency translation differences	7,636	4,837	2,956	4,114
Comprehensive income for the period	**547,467**	**233,839**	**303,493**	**177,463**

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

	Note	Reserves							
		Share capital	Legal reserve	Tax incentives	Translation reserve	Retained earnings	Accumulated profit	Total	Non- controlling interests	Total Equity
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		-	-	-	-	-	229,002	229,002	-	229,002
Other comprehensive loss:										
Foreign currency translation differences		-	-	-	4,837	-	-	4,837	-	4,837
Total other comprehensive gain (loss):		-	-	-	4,837	-	229,002	233,839	-	233,839
Internal equity changes										
Change in interest in equity-accounted investees		-	-	-	-	(1,525)	-	(1,525)	-	(1,525)
Interest on equity credited		-	-	-	-	-	(23,400)	(23,400)	-	(23,400)
Reserve for profit to be distributed		-	-	-	-	205,602	(205,602)	-	-	-
		-	-	-	-	204,077	(229,002)	(24,925)	-	(24,925)
Balance as of June 30, 2025		**276,464**	**55,293**	**793,580**	**(234,223)**	**1,384,937**	**-**	**2,276,051**	**-**	**2,276,051**
Balance as of January 1, 2026		**1,165,400**	**100,047**	**1,160,274**	**(229,985)**	**120,085**	**-**	**2,315,821**	**-**	**2,315,821**
Profit for the period		-	-	-	-	-	539,831	539,831	-	539,831
Other comprehensive loss:										
Foreign currency translation differences		-	-	-	7,636	-	-	7,636	-	7,636
Total other comprehensive gain (loss):		1,165,400	100,047	1,160,274	(222,349)	120,085	539,831	2,863,288	-	2,863,288
Internal equity changes										
Interest on equity credited	3.2	-	-	-	-	-	(97,000)	(97,000)	-	(97,000)
Reserve for profit to be distributed		-	-	-	-	442,831	(442,831)	-	-	-
		-	-	-	-	442,831	(539,831)	(97,000)	-	(97,000)
Balance as of June 30, 2026		**1,165,400**	**100,047**	**1,160,274**	**(222,349)**	**562,916**	**-**	**2,766,288**	**-**	**2,766,288**

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

	Note	Share capital	Reserves			Retained earnings	Accumulated profit	Total	Non- controlling interests	Total Equity
			Legal reserve	Tax incentives	Translation reserve					
Balance as of April 1, 2025		**276,464**	**55,293**	**793,580**	**(238,337)**	**1,234,988**	**-**	**2,121,988**	**-**	**2,121,988**
Profit for the period		-	-	-	-	-	173,349	173,349	-	173,349
Other comprehensive loss:										
Foreign currency translation differences		-	-	-	4,114	-	-	4,114	-	4,114
Total other comprehensive gain (loss):		-	-	-	4,114	-	173,349	177,463	-	177,463
Internal equity changes										
Interest on equity credited		-	-	-	-	-	(23,400)	(23,400)	-	(23,400)
Reserve for profit to be distributed		-	-	-	-	149,949	(149,949)	-	-	-
		-	-	-	-	149,949	(173,349)	(23,400)	-	(23,400)
Balance as of June 30, 2025		**276,464**	**55,293**	**793,580**	**(234,223)**	**1,384,937**	**-**	**2,276,051**	**-**	**2,276,051**
Balance as of April 1, 2026		**1,165,400**	**100,047**	**1,160,274**	**(225,305)**	**312,379**	**-**	**2,512,795**	**-**	**2,512,795**
Profit for the period		-	-	-	-	-	300,537	300,537	-	300,537
Other comprehensive loss:										
Foreign currency translation differences		-	-	-	2,956	-	-	2,956	-	2,956
Total other comprehensive gain (loss):		-	-	-	2,956	-	300,537	303,493	-	303,493
Internal equity changes										
Interest on equity credited	3.2	-	-	-	-	-	(50,000)	(50,000)	-	(50,000)
Reserve for profit to be distributed		-	-	-	-	250,537	(250,537)	-	-	-
		-	-	-	-	250,537	(300,537)	(50,000)	-	(50,000)
Balance as of June 30, 2026		**1,165,400**	**100,047**	**1,160,274**	**(222,349)**	**562,916**	**-**	**2,766,288**	**-**	**2,766,288**

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

		Six months period ended June 30,		Three month periods ended June 30,	
Cash flows from operating activities	**Note**	**2026**	**2025**	**2026**	**2025**
Profit for the period		539,831	229,002	300,537	173,349
Adjustments for:					
Depreciation and amortization		75,014	71,480	37,014	35,233
Termination of lease contracts		-	(2,167)	-	(411)
Provision for legal proceedings		7,118	3,308	4,461	1,093
Allowance for expected credit losses		4,049	3,855	2,168	41
Other income, net		(2,869)	(3,134)	88	83
Share of profit of equity-accounted investees, net of tax		(17,123)	(9,280)	(8,801)	(5,764)
Net financial costs		55,249	112,913	23,803	68,278
Income tax expense		94,743	37,356	53,368	38,019
Change in:					
Trade receivables		(302,516)	(934,811)	24,302	121,825
Inventories		270,370	(757,595)	78,063	(369,542)
Recoverable and payable taxes, net		(93,830)	(62,601)	(37,553)	(34,019)
Judicial deposits		(2,412)	(422)	(1,792)	(277)
Trade payables		(279,408)	642,238	39,955	104,344
Employees and other payroll related liabilities		26,780	46,139	41,614	28,888
Other current and non-current assets and liabilities		(19,785)	(45,200)	(8,143)	(7,800)
Change in operating activities		**355,211**	**(668,919)**	**549,084**	**153,340**
Interest paid		(174,684)	(131,536)	(123,493)	(89,078)
Interest received		130,117	28,805	68,227	8,950
Income tax paid		(79,848)	(7,285)	(48,993)	(1,009)
Net cash flows provided by (used in) operating activities		**230,796**	**(778,935)**	**444,825**	**72,203**
Cash flows from investing activities					
Change in deposits		(1,560)	21,303	(1,543)	510
Proceeds from sales of property, plant and equipment		5,738	7,072	759	2,032
Acquisition of property, plant and equipment		(59,740)	(77,922)	(25,296)	(50,569)
Investments in intangible assets		(8,207)	(3,232)	(3,822)	(1,021)
Dividend received		-	15	-	-
Net cash flows used in investing activities		**(63,769)**	**(52,764)**	**(29,902)**	**(49,048)**
Cash flows from financing activities					
Proceeds from loans		940,807	195,249	602,690	59,632
Repayment of loans		(923,442)	(381,305)	(821,009)	(65,547)
Payment of lease liabilities		(22,108)	(18,094)	(10,476)	(8,835)
Dividend paid	3.3	(84,432)	-	(84,432)	-
Net cash flows used in financing activities		**(89,175)**	**(204,150)**	**(313,227)**	**(14,750)**
Net increase (decrease) in cash and cash equivalents		**77,852**	**(1,035,849)**	**101,696**	**8,405**
Net descrease in cash and cash equivalents					
Cash and cash equivalents as at beginning of period		1,934,322	1,353,341	1,910,478	309,087
Cash and cash equivalents as at end of period		2,012,174	317,492	2,012,174	317,492
		77,852	**(1,035,849)**	**101,696**	**8,405**

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

1 General information

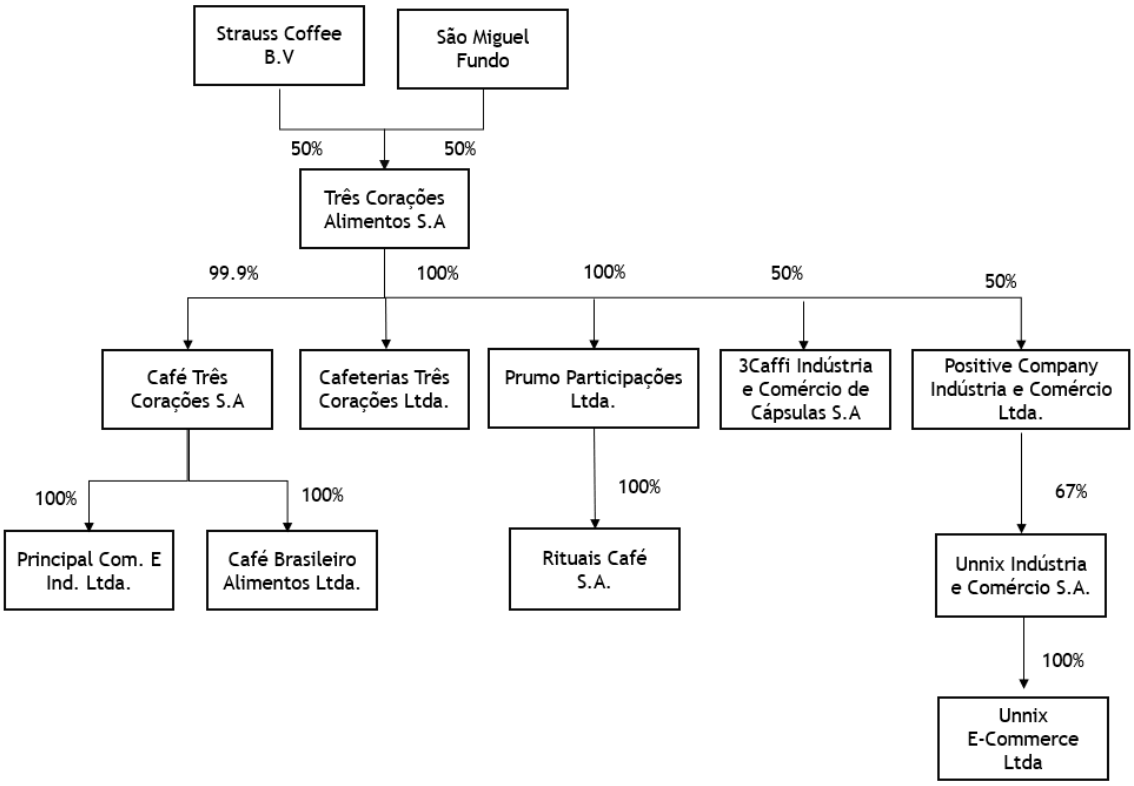
Três Corações Alimentos S.A. (the "Company") together with its subsidiaries (the "Group") are an industrial and commercial Group, which operates in Brazil, in producing and selling branded coffee products, machines, powdered juices, chocolate drinks, cornmeal products, green coffee exports, lending Away-From-Home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

The Company is located at Rua Santa Clara, 100, Parque Santa Clara, Eusébio, Ceará, Brazil. The Company controls the entities Cafeterias Três Corações Ltda., Prumo Participações Ltda. (which 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.

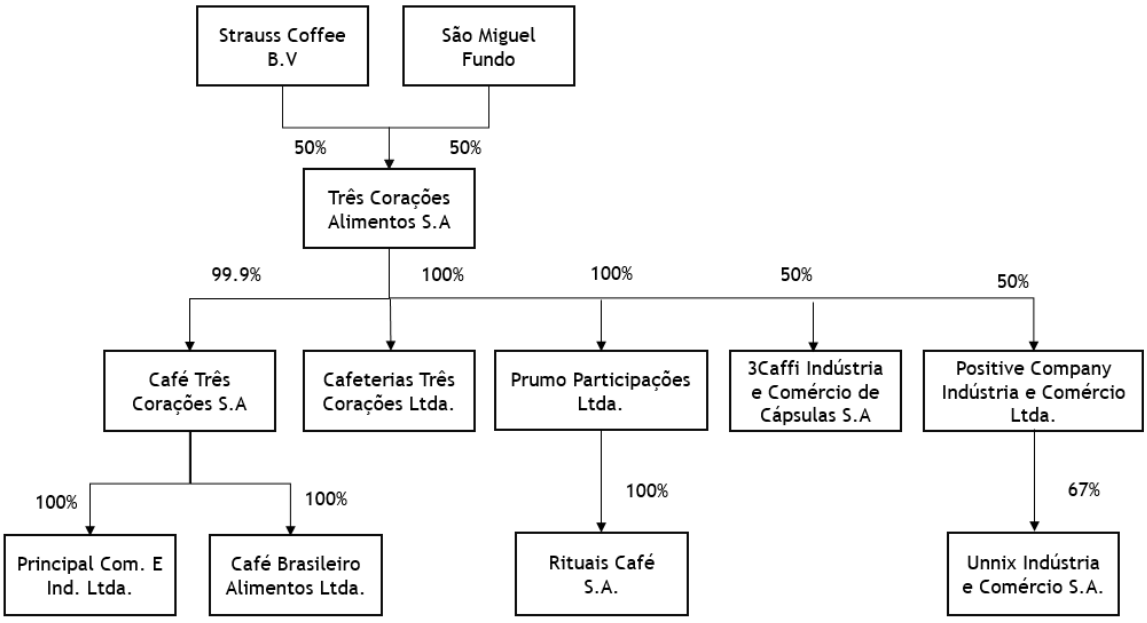
The Group is currently the largest group in roasted and ground coffee business in Brazil according to Nielsen Flash Report, and owns with JVs coffee and other food brands: Santa Clara, Kimimo, Três Corações, Pimpinela, Principal, Fino Grão, Café Doutor, Café Opção, Café Divinópolis, Café Geronymo, Estrada Real, Café Letícia, Itamaraty, Londrina, Café do Cuca, Ouribom, Bangu, Fort, Chocolatto, Claralate, Dona Clara, Claramil, Frisco, Tornado, Iguaçu, Cruzeiro, Amigo, Cirol, Cirol Real, Realmil, Toko, Apollo, Astoria, Manaus, Tapajós, Betânia, Tribo do Café, Bar Barista, Rituais, Café Brasileiro, Café 3 Fazendas, Café Bandeira, Café Premiado, .br, .br Gold, 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%).

On June 30, 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 August 04, 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 for the distribution of Interest on Equity (IOE) in the total amount of R$ 97,000 to be paid until 2031, observing the financial situation of the Company and in accordance with the Dividend Policy. The table presents the segregation by quarter distributions:

	Interest on equity credited	Withholding income tax	Net Amount
Q1'2026	47,000	(3,525)	43,475
Q2'2026	50,000	(3,750)	46,250
Total	**97,000**	**(7,275)**	**89,725**

3.3 Dividend paid

In June 2026, R$ 84,432 (R$ 69,095 as principal and R$ 15,337 as interest) was paid to São Miguel regarding the remaining dividends for the 2023 fiscal year. In accordance with the agreement between the shareholders, Strauss Group received its respective dividend in December 2024, while São Miguel decided to postpone it including 101.5% of the CDI rate as interest.

4 Cash and cash equivalents, current and non-current loans and borrowings

	June 30, 2026	December 31, 2025
Current loans and borrowings	1,224,515	1,023,315
Non-current loans and borrowings	1,117,963	1,292,947
Cash and cash equivalents	(2,012,174)	(1,934,322)
Total	**330,304**	**381,940**

Cash and cash equivalents increased mainly due to the positive result in profit and operating activities. Below is presented the cash flow used for the six month period:

- Cash flows provided by operating activities, in the amount of R$ 230,796;
- Cash flows used in investing activities, in the amount of R$ (63,769);
- Cash flows used in financing activities, in the amount of R$ (89,175).

During the period, R$ 923,442 of existing contracts were repaid and R$ 940,807 in new loans were raised for working capital and green coffee acquisition, preserving liquidity and the debt profile. There are no debt covenants in the Group's loans contracts with the banks.

5 Provision for legal proceedings

During the second quarter, the Company received new tax assessment notices in the total of R$97,601 regarding the tax dispute in the State of Pará. The total contingent exposure now of this issue is R$ 155,653. The dispute involves the period from June 2018 to March 2024, based on the tax authorities' claim that the establishment of Pará Group's branch does not qualify as a Distribution Center and, therefore, should be subject to a different method of calculating ICMS

tax (VAT tax). The Group's tax advisors classify the risk of loss as "possible" for all tax assessment notices received for this issue.

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	June 30, 2026		December 31, 2025	
		Carrying amount	Fair value	Carrying amount	Fair value
Financial liabilities					
Current loans and borrowings	2	1,224,515	1,349,133	1,023,315	1,189,202
Non-current loans and borrowings	2	1,117,963	1,325,029	1,292,947	1,492,181
		2,342,478	**2,674,162**	**2,316,262**	**2,681,383**

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.

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:

(i) Quoted market prices or dealer quotes for similar instruments;

(ii) The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves;

(iii) Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

- **Level 3**: inputs for valuing a financial instrument that is not based on observable market data (that is, unobservable inputs).

  On June 30, 2026 and December 31, 2025, the Group had no financial instruments classified at Level 3.

7 Revenue

7.1 Disaggregated revenue information

	Six month periods ended			Three month periods ended		
	Products	Services	June 30, 2026	Products	Services	June 30, 2026
Geographical markets						
Domestic	**6,234,638**	**993**	**6,235,631**	**3,177,732**	**536**	**3,178,268**
Foreign	**103,203**	**-**	**103,203**	**68,716**	**-**	**68,716**
Chile	45,105	-	45,105	28,753	-	28,753
Argentina	13,528	-	13,528	8,371	-	8,371
Spain	10,554	-	10,554	10,554	-	10,554
Bolivia	8,677	-	8,677	3,840	-	3,840
United States	6,663	-	6,663	4,461	-	4,461
Other countries	18,676	-	18,676	12,737	-	12,737
	6,337,841	**993**	**6,338,834**	**3,246,448**	**536**	**3,246,984**

	Six month periods ended			Three month periods ended		
	Products	Services	June 30, 2025	Products	Services	June 30, 2025
Geographical markets						
Domestic	**6,677,472**	**983**	**6,678,455**	**3,455,957**	**498**	**3,456,455**
Foreign	**139,732**	**-**	**139,732**	**80,078**	**-**	**80,078**
Japan	39,357	-	39,357	16,893	-	16,893
United States	37,344	-	37,344	23,644	-	23,644
Chile	24,498	-	24,498	14,366	-	14,366
Switzerland	13,439	-	13,439	10,104	-	10,104
Germany	6,469	-	6,469	3,614	-	3,614
Other countries	18,625	-	18,625	11,457	-	11,457
	6,817,204	**983**	**6,818,187**	**3,536,035**	**498**	**3,536,533**

7.2 Composition of Revenue

	Six month periods ended June 30,		Three month periods ended June 30,	
	2026	2025	2026	2025
Revenue:				
Products - domestic	7,897,645	7,849,685	4,050,001	4,087,657
Products - foreign	105,521	141,164	69,440	80,043
Services	1,014	1,003	547	507
Other	356	364	180	218
Revenue deductions:				
Taxes on sales	(921,567)	(751,053)	(488,455)	(399,837)
State VAT incentives	205,580	203,800	108,682	112,801
Discounts	(761,487)	(470,604)	(403,506)	(253,978)
Other deductions	(188,228)	(156,172)	(89,905)	(90,878)
Revenue	**6,338,834**	**6,818,187**	**3,246,984**	**3,536,533**

8 Cost of sales

	Six months period ended June 30,		Three months period ended June 30,	
	2026	2025	2026	2025
Materials consumed	(4,558,153)	(5,498,283)	(2,278,239)	(2,769,975)
Wages, salaries and related expenses	(65,641)	(56,891)	(34,252)	(29,644)
Energy and gas	(28,072)	(28,404)	(14,999)	(14,605)
Depreciation and amortization	(16,582)	(14,869)	(8,465)	(7,371)
Services contracted	(14,615)	(12,662)	(8,268)	(6,918)
Maintenance	(7,547)	(7,114)	(3,943)	(3,678)
Other	(7,661)	(6,454)	(4,079)	(3,431)
	(4,698,271)	**(5,624,677)**	**(2,352,245)**	**(2,835,622)**

9 Income tax

9.1 Amounts recognized in statement of income

	Six months period ended June 30,		Three months period ended June 30,	
	2026	2025	2026	2025
Current taxes	(101,610)	(20,206)	(71,249)	(9,427)
Deferred taxes	12,798	(8,447)	19,263	3,999
Carryforward tax loss	(5,931)	(8,703)	(1,382)	(32,591)
	(94,743)	**(37,356)**	**(53,368)**	**(38,019)**

9.2 Reconciliation of effective tax rate

	Six months period ended June 30,		Three months period ended June 30,	
	2026	**2025**	**2026**	**2025**
Profit (loss) before taxes on income	634,574	266,358	353,905	211,368
Primary tax rate of the Company	34%	34%	34%	34%
Tax calculated according to the Company's primary tax rate	(215,755)	(90,562)	(120,328)	(71,865)
Permanent differences, net:				
Share of profit of equity-accounted investees, net of tax	5,821	3,155	2,992	1,960
Interest on equity	32,980	7,956	17,000	7,956
State tax incentives	67,951	63,926	37,705	38,848
Federal incentive	21,629	5,688	13,063	(3,263)
IAS 21 adjustments	(2,540)	(7,940)	(366)	(2,693)
Tax rate differential	(2,688)	(2,384)	(5,841)	239
Non-deductible expenses	(6,388)	(6,326)	(2,503)	(2,125)
Profit eliminations on inventory	(198)	(2,105)	289	(441)
Pillar 2 adjustment	780	(5,626)	780	(2,953)
Other	3,665	(3,138)	3,841	(3,682)
Taxes on income in the statement of income	**(94,743)**	**(37,356)**	**(53,368)**	**(38,019)**
Effective tax rate	14.93%	14.02%	15.08%	17.99%

* * *

Pedro Alcântara Rego de Lima
Chief Executive Officer

Danisio Costa Lima Barbosa
Chief Financial Officer

Anya Monteiro de Albuquerque
Executive Controlling and ESG Manager
CRC/CE 015582/O-4