



**Electra Consumer Products (1970) Ltd. (hereinafter: "Company")**

4 April 2022

To  
The Israel Securities Authority  
<https://www.magna.isa.gov.il>

To  
The Tel Aviv Stock Exchange Ltd.  
<http://maya.tase.co.il>

Ladies and gentlemen,

**Re: Bitan Wines Ltd. Engagement in a Franchise Agreement with Carrefour**

Further to the Company's immediate report dated 6 March 2022 (reference number: 2022-01-022026) regarding Bitan Wines Ltd., a subsidiary controlled by the Company (hereinafter: "**Bitan Wines**"), entering into a memorandum of understanding with the Carrefour International Partnership Group (hereinafter: "**Carrefour**"), the Company respectfully informs you that on 3 April 2022, Bitan Wines entered into an exclusive franchise agreement to operate Bitan Wines chain stores under the Carrefour brands which are, *inter alia*, Carrefour Market, Carrefour, and Supeco and Atacado, in Israel, and for the exclusive use of the above brand names.

Pursuant to the terms of the franchise agreement, Bitan Wines will rebrand the Bitan Wines, Mega, and Mehadrin Market chains and customise them to the Carrefour brands according to the timetables and terms agreed to between the Parties. It was further agreed that the franchise agreement will be for a period of 20 years, automatically renewing for an additional 20 years as well as options to extend for 20-year periods with the consent of the Parties. The agreement includes, *inter alia*, payment of a fixed buy-in amount, spread over a number of years, plus payments that will be made as a percentage of revenue turnover, alongside investments in branches and customisation to the Carrefour brand. The franchise agreement will enable Bitan Wines to purchase and market Carrefour's products under Carrefour brands, in Israel, as well as allow Bitan Wines to manufacture some of these products in Israel under the Carrefour brand.

The Parties agreed that during the first few months following execution of the agreement, the Parties will settle upon the scope of the variety of products and expanding it, establishing kosher requirements and the attractiveness/desirability of such products, as well as store opening dates, respectively.

The Carrefour Group is the world's leading retail food company, with a strong strategy focused on ecommerce, food transport, and a variety of retail sales formats. Carrefour owns approximately 13,900 stores (in various formats) spread throughout more than 40 countries with more than 2 billion transactions per year. Carrefour offers one of the largest private brands in Europe, with an annual sales turnover (in 2021) estimated at approximately EUR 81.2 billion. Carrefour is a publicly traded company whose shares are listed for trade on the Euronext N.V stock exchange. Its market value is approximately EUR 15 billion.

**The above information, *inter alia*, regarding the customisation of stores and their operation pursuant to the principles of the franchise agreement is forward-facing information as defined in the Securities Law, 5728-1968, which is based, *inter alia*, on expectations and assessments regarding economic and other developments the realisation thereof is uncertain and outside of the Company's control. Therefore, it is possible that the developments and trends described above shall differ in practice, *inter alia*, because of the occurrence of any of the risk factors involved in the Company's activities which factors are described in the**

**Company's 2021 periodic report.**

Respectfully,

Electra Consumer Products (1970) Ltd.

By: Daniel Salkind, Chairman of the Board of Directors

Zvika Schwimmer, Chief Executive Officer