Financial Statements as of 31 December 2024

Electra Consumer Products (1970) Ltd

Electra Consumer Products (1970) Ltd.

Legal Disclaimer

The attached is a convenience translation of the Board of Directors report on the state of the corporation's affairs, the consolidated statement of financial position, the consolidated statements of profit and loss ("P&L"), the consolidated statements of comprehensive income, the consolidated statements of changes in equity, and the consolidated statements of cash flows as of 31 December 2024 for Electra Consumer Products (1970) Ltd. (the "Company") published by the Company through the MAGNA filing system (the "Hebrew Version").
This English version is partial and for convenience purposes only. This is not an official translation and has no binding effect. Whilst reasonable care and skill have been exercised in the preparation hereof, no translation can ever perfectly reflect the Hebrew Version. In the event of any discrepancy between the Hebrew Version and this translation, the Hebrew Version shall prevail.

Electra Numbers

7.4 B ₪
Revenues in the reporting period

704 M ₪
EBITDA in the reporting period

1.03 B ₪
Total company equity

832 M ₪
Financial debt (net of IFRS 16)

7 K
Number of employees

ilAA-
S&P Rating

333
Branches

8 B
Total company balance sheet

138 K
Credit card Carrefour Club holders

60 M
Yearly transactions rate

40 M
Dividend declared

Sports and Leisure Segment

99
Number of branches

שבילים	16 branches
Columbia	25 branches
adidas	37 branches
BOARDERLINE	4 branches
RIPCURL	4 branches
Outsiders	13 branches

29 K sq.m
Commercial space

29%
Percent change in same stores in the reporting period

Retail Food Segment

145
Number of branches

יינות ביתן / מגה בעיר	4 branches
Carrefour	141 branches

171 K sq.m
Commercial space

6%
Percent change in same stores in the reporting period
(Including Carrefour converted stores)

12%
Percent change in the reporting period
(Carrefour converted stores)

Electrical Retail Segment

89
Number of branches

DUTY FREE שקם אלקטריק	2 branches
שקם אלקטריק	20 branches
מחסני חשמל	67 branches

52 K sq.m
Commercial space

26%
Percent change in same stores in the reporting period
(Excluding DUTY-FREE stores)

Electra Consumer Products (1970) Ltd.

Board of Directors Report

For the year ended 31 December 2024

The board of directors of Electra Consumer Products (1970) Ltd. respectfully submits its report on the state of the Company's business and that of its consolidated companies (the "Group") for the year ended at 31 December 2024 (the "reporting period").

1. General

1.1. Description of the Group's business

The Group operates in five fields, which are also reported as operating segments in its financial statements, as set forth below:

Electrical consumer products segment – import, export, marketing, sale, and distribution of electrical consumer products and rendering service for these products.

Electrical retail segment– operation of retail chains for the sale of electrical consumer products and cellular telephones and accessories through "Mahsanei Hashmal," "Shekem Electric," and "Shekem Duty."

Retail food segment - Operation of the Global Retail C.I. Ltd. chain, a retail marketing chain for food products and other consumables, that operates under Carrefour brands.

Sports and leisure segment - operation of chains for the marketing, import, manufacture, and distribution of equipment and clothing and footwear for travellers, camping, skiing, and snowboarding, outdoor sports, as well as the operation of a franchise chain under the Adidas brand (hereinafter: "**Adidas**").

Investment real estate segment – development and construction of investment property.

1.2. Description of the Company's business environment and trends

1.2.1 The Board of Directors' summary explanations of the state of the corporation's affairs:

Summary Consolidated Statements of Profit and Loss

	For the year ended 31 December		For the three months ended at 31 December	
	2024	2023	2024	2023
	in NIS millions			
Revenues from sales and provision of services	7,406	6,488	1,908	1,702
Operating income (loss)	330	55	96	(29)
% of revenues	4.5%	0.9%	5.0%	(1.7%)
Income (loss) before taxes on income	91	(154)	31	(79)
Net income (loss)	34	(282)	13	(151)
Net earnings (loss) to Company shareholders	52	(101)	3	(79)
EBITDA	704	471	202	156
% of revenues	9.5%	7.3%	10.6%	9.2%
EBITDA net of IFRS 16	336	171	100	84
% of revenues	4.5%	2.6%	5.2%	4.9%

Summary of the Group's results according to operating segments:

For the year ended 31 December 2024	Electrical consumer products segment	Electrical retail segment	Retail food segment	Sports and leisure segment	Investment property segment	Adjustments and other	Total
	in NIS millions						
Total income	1,162	2,550	3,338	510	13	(167)	7,406
Segmental income (loss)	74	113	130	48	9	(8)	366
% of revenues	6.3%	4.4%	3.9%	9.4%	69.2%	4.8%	4.9%
Unallocated shared expenses							36
Operating income							330
EBITDA	100	167	349	110	13	(35)	704
EBITDA net of IFRS 16	95	120	98	48	13	(38)	336

For the year ended 31 December 2023	Electrical consumer products segment	Electrical retail segment	Retail food segment	Sports and leisure segment	Investment property segment	Adjustments and other	Total
	in NIS millions						
Total income	1,235	2,056	3,030	297	12	(142)	6,488
Segmental income (loss)	78	87	(105)	18	5	2	85
% of revenues	6.3%	4.2%	(3.5%)	6.1%	41.7%	(1.4%)	1.3%
Unallocated shared expenses							30
Operating income							55
EBITDA	110	136	181	59	12	(27)	471
EBITDA net of IFRS 16	103	93	(33)	25	12	(29)	171

During the reporting period and in the fourth quarter of 2024, there was an increase in the Group's revenues, amounting to the sum of NIS 7,406 million and NIS 1,908 million, compared to NIS 6,488 million and NIS 1,702 million, respectively, **an increase of 14.1% and 12.1% compared to the corresponding periods last year, respectively.**

Operating income before other income, net, and reorganisation income came to NIS 317 million and NIS 98 million, respectively, during the reporting period and the fourth quarter of 2024, respectively, compared to NIS 123 million and NIS 66 million, respectively, during the corresponding periods of the previous year, **an increase of 158% and 48.5%, respectively, compared to the corresponding periods last year.**

The net income from ongoing operations during the reporting period and during the fourth quarter 2024 came to NIS 60 million and NIS 24 million, respectively, compared to a loss of NIS 165 million and NIS 82 million during the corresponding periods of the previous year, respectively. **In the fourth quarter of 2024, the food segment reported net income from continuing operations of NIS 3 million.**

The net income to majority shareholders during the reporting period and during the fourth quarter 2024 came to NIS 52 million and NIS 3 million, respectively, compared to a loss of NIS 101 million and NIS 79 million during the corresponding periods of the previous year, respectively.

The net income attributed to majority shareholders from ongoing operations during the reporting period and during the fourth quarter 2024 came to NIS 78 million and NIS 13 million, respectively, compared to a loss of NIS 17 million and NIS 30 million during the corresponding periods of the previous year, respectively.

For details regarding the improvement in the Group's revenue and profitability according to operating segments, see Section 4, regrading the report on business segments.

1.2.2 Summary of financial results with and without the impact of the food segment during the reporting period

Below is a summary of the Company's financial results for the fourth quarter and the year with and without the food segment as well *of* the food segment:

	Consolidated		Consolidated net of the retail food segment	
	For the year ended 31 December			
	in NIS millions			
	2024	(* 2023	2024	(* 2023
Sales	7,406	6,488	4,068	3,458
Operating income before other expenses, net, and reorganisation revenues	317	123	209	168
EBITDA	704	471	355	290
Income (loss) before tax	91	(154)	134	93
Net income (loss) from continuing operations	**60**	**(165)**	**103**	**76**
Loss from discontinued operations	(26)	(117)	(9)	-
Net income (loss)	34	(282)	94	76
Net income (loss) attributed to Company shareholders	52	(101)	86	67

	Consolidated		Consolidated net of the retail food segment	
	For the three months ended at 31 December			
	in NIS millions			
	2024	(* 2023	2024	(* 2023
Sales	1,908	1,702	1,062	866
Operating income before other expenses, net, and reorganisation revenues	98	66	57	40
EBITDA	202	156	95	71
Income (loss) before tax	31	(79)	28	14
Net income (loss) from continuing operations	**24**	**(82)**	**21**	**11**
Loss from discontinued operations	(11)	(69)	(9)	-
Net income (loss)	13	(151)	11	10
Net income (loss) attributed to Company shareholders	3	(79)	2	2

(*) Reclassified with respect to discontinued operations; see Note 29 to the consolidated financial statements.

	Retail food segment		Retail food segment	
	For the year ended 31 December		For the three months ended at 31 December	
	in NIS millions		in NIS millions	
	2024	(* 2023	2024	(* 2023
Sales	3,338	3,030	845	836
Operating income (loss) before other income, net, and reorganisation expenses	108	(45)	41	26
EBITDA	349	181	107	85
Income (loss) before tax	(43)	(247)	**3**	(93)
Profit (loss) from continuing operations	(43)	(241)	**3**	(93)

(*) Reclassified with respect to discontinued operations; see Note 29 to the consolidated financial statements.

For additional details in connection with the food segment results, see Section 4.5.2 to this Board of Directors Report.

1.2.3 The Iron Swords War

During 2024, there was no significant change in the impact of the Iron Swords War on the Company's operating segments, as mentioned in Note 1d of the consolidated annual financial statements, except for the implications of the Turkish government's announcement on export restrictions to Israel in several categories, including the import of electrical consumer products and other than the prolongation of the arrival time of some shipments from the East to Israel and the increase in shipping prices compared to pre-War prices as a result of the threat by the Houthis on shipping company vessels travelling by sea from the East to Israel. According to the Company's assessment, these are not expected to have a material impact on the Company's operations.

The Company's assessments regarding the impact of the Iron Swords War on the Company and on its operating segments constitute "forward-looking information," as defined in the Securities Law, 1968. These assessments are based, *inter alia*, on the information available to the Company as of the reporting date, the Company's estimates considering past experience and the knowledge it has accumulated, as well as various assessments regarding the state of the markets in which the Company operates and the impact of external factors beyond the Company's control. The Company's assessments or their scope may not materialise, or may materialise differently, in whole or in part, and even substantially so, from what is forecast as a result of a number of factors that are outside the Company's control and/or are known to it on the reporting date and/or the Company's business environment and/or as a result of the materialisation of all or part of the risk factors as described in Section 27 of Part A of the Company's 2024 periodic report.

1.2.4 Effects of Inflation and Increased Interest Rates on Financial Disclosure and Reporting[1]

Over the last several years, inflation rates in Israel have been low and almost throughout these years, have maintained a range of up to 1%. In recent years, there has been an increase in inflation rates in Israel and around the world, with the consumer price index in Israel increasing by 5.3% in 2022. In 2023, the CPI rose by 3% and in 2024, the CPI rose by 3.2%. The forecast of the Bank of Israel's research arm is based on the assumption that the direct economic impact of the war will continue until the end of the first quarter of 2025. This assumption reflects a moderate intensity level of combat at the start of 2025 compared to the assumption underlying the forecast from October. The downward risk to the growth forecast was reduced in light of geopolitical developments in the last quarter and in particular, the relative calm on the Lebanese front, such that the probabilities for security scenarios with more serious economic implications decreased. However, this risk is still at a very high level compared to normal. Therefore, the level of uncertainty around growth forecasts, inflation, interest rates, and the government deficit is still high. The rate of inflation during the next four fiscal quarters (ending in the fourth quarter of 2025) is expected to be 2.6% and in 2026, the overall inflation rate is expected to come to 2.3%. As part of its attempt to slow down the inflation rate in Israel, the Bank of Israel had begun raising interest starting in April 2022, in a number of increments: from the negligible rate that had prevailed for many years to its current level of 4.5%. According to the Bank of Israel forecast, Israel's monetary interest rate is expected to come to 4% or to 4.25% on average during the fourth quarter of 2025.

The Company has long-term liabilities to banks and other corporations in the sum of NIS 667 million, which are linked to the prime rate (of which, NIS 415 million is attributed to Global Retail Group), and short-term liabilities to banks in the sum of NIS 268 million, which are linked to the prime rate, for which the Company does not maintain cash balances or deposits. Conversely, the Company has short-term variable interest deposits and thus, in light of the expected increase in bank interest, each 1% increase is expected to increase the Group's net interest expenses by NIS 7.4 million annually both in terms of the effect on the Company's results as well as in terms of the effect on the Company's cash flows. Additionally, the Company pays property owners rent for its branches and offices that is for the most part linked to the consumer price index where every additional 1% increase in the consumer price index is expected to increase rental costs by NIS 4 million annually, both in terms of the effect on the Company's results as well as in terms of the effect on the Company's cash flows.

With that, the Group's financial stability, together with its cash balances and the high current cash flow that it generates, will allow it to continue financing its operations and meeting its obligations.

The Company's assessments - regarding the possible implications of the increase in the prime interest rate and the increase in the consumer price index on its operations and business - are forward-looking information, as the term is defined in the Securities Law, and are based, *inter alia*, on Company management's experience in the market (including in situations of economic crisis). The Company's assessments or their scope may not materialise, or may materialise differently, in whole or in part, and even substantially so, from what is forecast as a result of a number of factors that are outside the Company's control and/or are known to it on the reporting date and/or the Company's business environment and/or as a result of the materialisation of all or part of the risk factors as described in Section 27 of Part A of the Company's 2024 periodic report.

[1] See, Bank of Israel website – press release from 24 February 2025: https://www.boi.org.il/publications/pressreleases/24-02-25/

1.3. Principal events during the reporting period and thereafter

1.3.1 Material matters relating to the Global Retail C.I. Ltd. Group ("Global Retail")

After reaching an agreement with two banks regarding the warrants allocated to them, which are exercisable into shares of Global Retail, the cancellation of the warrants, the payment of the first portion of the consideration to the banks, and the investor's investment of NIS 80 million at the beginning of March 2024, the Global Retail shares investment transaction was completed. The investor now holds 16% of the share capital of Global Retail, while the Company holds 48%. As a result of the investor transaction mentioned above, the investments by existing shareholders in Global Retail (including the Company) as part of the investor transaction and the completion of agreements with the two banks mentioned, a total of NIS 180 million was injected into Global Retail, and its equity increased by NIS 247 million.

During April 2024, Electra Retail Ltd, a wholly owned subsidiary of the Company, purchased 4,000 shares of Global Retail from Mr. Michael Loboschitz, Chief Financial Officer of Global Retail. Following the purchase, the Company holds 49.38% of the shares of Global Retail. Additionally, on 11 April 2024, Global Retail allocated 4,000 options to the aforementioned CFO under the Global Retail options plan.

On 3 November 2024, the second-tier subsidiary Global Retail and the former CEO of the second-tier subsidiary, Mr. Uri Kilstein, reached an agreement pursuant to which Global Retail would purchase the CEO's shares at zero value, according to the value formula stipulated in the agreement between the parties, as well as an agreement on mutual waiver of the previous CEO's demands in exchange for the sum of NIS 1.3 million, plus VAT. As a result, the company's holding in Global Retail increased to 49.49%.

For details regarding other matters related to Global Retail, see Note 11b to the consolidated financial statements.

1.3.2 On 21 January 2024, the Company made a private offering of NIS 199 million par value of the Company's (Series A) bonds by way of an expansion of a registered series for total gross proceeds of NIS 179.9 million and an effective interest rate of 5.38%.

The credit rating agency, Maalot, set a rating of ilAA- for the expansion of the Company's bond series (Series A).

1.3.3 Electra Convenience Stores Ltd. (a wholly-owned subsidiary of the Company) (the "**second-tier subsidiary**"), which holds a franchise agreement to operate a chain of stores under the 7-Eleven brand in Israel (the "**operations**").

On 16 May 2024, the second-tier subsidiary and Saban Express Ltd. (the "**buyer**") executed an agreement under which the second-tier subsidiary will sell and transfer to the buyer all of its rights and liabilities in the leased properties (7 stores) where it operates the chain's stores, based on lease agreements, including the equipment and inventory therein (the "**assets**"). Consequently, the second-tier subsidiary will cease operating the 7-Eleven chain in Israel. The transferred branches will operate in the buyer's trade name. In consideration for the purchase of the assets, the buyer will pay the seller a total of NIS 3 million. The transaction closed during the reporting period. Beginning from the second quarter of 2024, the Company presents the 7-Eleven operation as discontinued operations. After closing the above transaction, the second-tier subsidiary will continue to hold a franchise to operate a chain of stores under the 7-Eleven brand in Israel for three years, and will be able, subject to 7-Eleven's consent, to recommence operation of the chain or, alternatively, to sell the franchise agreement.

1.3.4 On 12 August 2024, Standard & Poor's Maalot reconfirmed the Company's rating (ilAA-), and it determined that the rating forecast was stable.
Similarly, Standard & Poor's Maalot confirmed a rating of ilAA- for the Company's (Series A) bonds.

1.3.5 On 30 October 2024, the subsidiary Electra Retail Ltd. ("Electra Retail") signed an agreement with Samsung for the import of large kitchen appliances and televisions manufactured by Samsung and its subsidiaries (the "products"), which will be sold in stores owned by Electra Retail starting January 1, 2025. With this, Electra Retail ends its intermediary services for the products through the importer Samline.

1.3.6 As of January 2025, the Electra Consumer Products Group is working to streamline its work method such that each separate business division will more efficiently coordinate an independent headquarters. Additionally, in the framework of organisational efficiency in the area of electrical consumer products operations, it was decided to consolidate climate system trade, brand trade, and customer service division operations into one operational division.

In the Company's assessment, this change in work methodology and the consolidation of operations, as noted, is expected to yield an annual cost savings during the coming years estimated at NIS 22 million in the Company's cash flow, and in large part in the Company's operating expenses as well.

The Company's assessments with respect to the expected savings in the Company's cash flow and operating expenses constitute forward-looking information, as defined in the Securities Law, 1968, which is based, *inter alia*, on the Company's management's reasonable assessments as of the reporting date. The Company's estimates are based on the information available to the Company on the reporting date and may not materialise or materialise in part or in a manner different from that described above as a result of factors that are outside the Company's control including, *inter alia*, changes in the Company's business environment, the Company's business decisions, etc. We further note that said anticipated savings are an estimate only, not reviewed or audited by the Company's auditor, and the above does not constitute an assessment of the Company's future financial results and cash flows.

1.3.7 See Notes 26e to the consolidated financial statements for additional details about the effect of regulatory changes in Israel and in Europe on the Company’s operations in the heating and cooling systems segment.

1.3.8 On 23 March 2025, the Company declared the distribution of a dividend in the sum of NIS 40 million, which reflects a share price of NIS 1.72. The effective date and ex-date are 31 March 2025, and the date of payment is 8 April 2025.

1.3.9 As to additional significant events, during the reporting period and thereafter, see Notes 11b, 12f, 15a(2), 26, and 32 to the consolidated financial statements.

The Board of Directors' explanations of the state of the Company's affairs

2. Financial position:

The following is a concise summary of the consolidated balance sheets (in NIS millions):

	As at 31 December 2024	As at 31 December 2023
Current assets	2,345	2,186
Non-current assets	5,659	4,823
Total assets	**8,004**	**7,009**
Current liabilities	3,382	(* 3,129
Non-current liabilities	3,589	(* 2,878
Total equity	1,033[2]	1,002[3]
Total liabilities and equity	**8,004**	**7,009**

(*) Reclassified

Assets

2.1. The total current assets amounted to NIS 2,345 million as at 31.12.2024, compared with NIS 2,186 million as at 31.12.2023. The increase in current assets was primarily driven by a rise in short-term deposits, mainly as a result of higher cash flow from operating activities and a debenture issuance during the reporting period, as well as an increase in trade receivables resulting from increased sales.

2.2. Total non-current assets amounted to NIS 5,659 million as at 31.12.2024, as compared with NIS 4,823 million as at 31.12.2023. The increase was mainly due to a rise in the right-of-use assets item, resulting from the extension of lease agreements in numerous Carrefour branches, and an increase in the intangible assets item, primarily due to the update of the franchise agreement with Carrefour, and an increase in the property, plant, and equipment line as a result of the continued investment in the conversion of Carrefour stores, as well as the acquisition of a building for its own use in the electrical retail segment.

Liabilities

2.3 The total current liabilities amounted to NIS 3,382 million as of 31.12.2024, as compared with NIS 3,129 million as of 31.12.2023. The increase in current liabilities primarily derived from an increase in the credit from banks as a result of the utilisation of credit facilities, from an increase in the current maturities of debentures/bonds, and from an increase in trade payables, primarily as a result of the acquisition of inventories in the electrical retail segment and in the electrical consumer products segment, and from an increase in other payables and credit balances, offset in part by a decrease in current maturities of lease liabilities.

2 Including non-controlling interests in the sum of NIS 383 million.
3 Including non-controlling interests in the sum of NIS 370 million.

2.4 The total non-current liabilities amounted to NIS 3,589 million as at 31.12.2024, as compared with NIS 2,878 million as at 31.12.2023. The increase in non-current liabilities was primarily due to a rise in the leasing liabilities item, resulting from the extension of lease agreements in numerous Carrefour branches, corresponding to a parallel increase in the right-of-use assets item as mentioned above, and increase in other liabilities, primarily as a result of the arrangement with banks regarding the warrants issued to them for shares in Global Retail, and an increase in the bonds item due to the expansion of the bond series during the reporting period, as noted, offset in part by a decrease in long term loans, primarily as a result of payments during the reporting period.

Shareholder equity

2.5 Shareholder equity as at 31.12.2024 amounted to NIS 1,033 million (including noncontrolling interests of NIS 383 million), as compared with NIS 1,002 million as at 31.12.2023 (including noncontrolling interests of NIS 370 million). The increase in equity during the reporting period was primarily due to comprehensive income in the sum of NIS 34 million and transactions with noncontrolling interests amounting to NIS 24 million, resulting from the capital raising in the Global Retail Group in the reporting period, and reaching an agreement with two banks regarding the warrants allocated to them, which are exercisable into shares of Global Retail, offset in part by a buyback of Company shares in the sum of NIS 18 million and a dividend that was paid to noncontrolling interests in the sum of NIS 12 million.

Financial debt, net

2.6. The Company's financial debt, net amounted to NIS 3,475 million as at 31.12.2024, as compared with financial debt, net of NIS 2,796 million as at 31.12.2023. The increase in net financial debt was mainly due to the extension of lease agreements in numerous Carrefour branches, as mentioned above.

2.7. The Company’s financial debt, net, after eliminating leasing liabilities (IFRS 16), amounted to a financial debt, net, of NIS 832 million as at 31.12.2024, as compared with a financial debt, net, of NIS 878 million as at 31.12.2023. The decrease in the financial debt, net, derived mainly from strong cash flow from current operations in the sum of NIS 559 million, which was partially offset by investment activities carried out by the Group. (For additional details regarding cash flow, see Sections 6.3 and 6.4 below).

2.8. Segmental assets and liabilities

	31 December 2024					
	Electrical consumer products segment	Electrical retail segment	Retail food segment	Sports and leisure segment	Investment property, adjustments, and other segment	Total
	in NIS millions					
Current assets	867	711	494	235	38	2,345
Non-current assets	311	508	3,985	469	386	5,659
Current liabilities	527	1,169	1,509	225	(48)	3,382
Non-current liabilities	138	323	2,381	238	509	3,589
Financial asset (debt), net	80	(259)	(2,504)	(321)	(471)	(3,475)
Financial asset (debt), net (net of IFRS 16)	104	(13)	(405)	(47)	(471)	(832)

	31 December 2023					
	Electrical consumer products segment	Electrical retail segment	Retail food segment	Sports and leisure segment	Investment property, adjustments , and other segment	Total
	NIS millions					
Current assets	972	498	496	241	(21)	2,186
Non-current assets	309	529	3,247	464	274	4,823
Current liabilities	371	972	(* 1,582	247	(43)	3,129
Non-current liabilities	131	231	(* 1,872	248	396	2,878
Financial asset (debt), net	88	(193)	(1,891)	(326)	(474)	(2,796)
Financial asset (debt), net (net of IFRS 16)	102	4	(455)	(55)	(474)	(878)

(*) Reclassified.

3. Operating results:

3.1 Summary of business results by period (in NIS millions):

	For the year ended at 31 December				For the three months ended at 31 December			
	2024	(**)	(*) 2023	(**)	2024	(**)	(*) 2023	(**)
Revenues from sales and provision of services	7,406		6,488		1,908		1,702	
Cost of sales and provision of services	(5,235)		(4,658)		(1,350)		(1,221)	
Gross profit	**2,171**	**29.3%**	**1,830**	**28.2%**	**558**	**29.2%**	**481**	**28.3%**
Selling and marketing expenses	(1,740)		(1,604)		(436)		(391)	
Administrative and general expenses	(103)		(94)		(22)		(22)	
Research and development expenses	(10)		(8)		(2)		(2)	
Group's share in losses of companies treated according to the equity method, net	(1)		(1)		-		-	
Operating income before other income (expenses), net, and reorganisation expenses	**317**	**4.3%**	**123**	**1.9%**	**98**	**5.1%**	**66**	**3.9%**
Other income (expenses), net	14		(58)		5		(85)	
Reorganisation expenses	(1)		(10)		(7)		(10)	
Operating income (loss) after other income (expenses), net, and reorganisation expenses	**330**	**4.5%**	**55**	**0.9%**	**96**	**5.0%**	**(29)**	**(1.7%)**
Financing income	21		11		7		2	
Financing expenses	(260)		(220)		(72)		(52)	
Income (loss) before taxes on income	**91**		**(154)**		**31**		**(79)**	
Taxes on income	(31)		(11)		(7)		(3)	
Net income (loss) from continuing operations	**60**		**(165)**		**24**		**(82)**	
Loss from discontinued operations	**(26)**		**(117)**		**(11)**		**(69)**	
Net income (loss)	**34**		**(282)**		**13**		**(151)**	
Net income (loss) attributed to Company shareholders	**52**		**(101)**		**3**		**(79)**	

(*) 2023 comparison data have been reclassified in respect of discontinued operations; see Note 29 to the consolidated financial statements.

(**) Percentage of turnover.

3.1.1. Revenues

The Group's revenues amounted to NIS 7,406 million in the reporting period, as compared with NIS 6,488 million in the corresponding period of the previous year, an increase of approximately 14.1%.

The Group's revenues amounted to NIS 1,908 million in the fourth quarter of 2024 as compared with NIS 1,702 million in the corresponding period of the previous year, an increase of approximately 12.1%.

The increase in sales turnover was primarily due to the growth in sales in the electrical retail segment, mainly from increased sales in identical branches, the increase in sales in the food segment mostly from branches converted to the Carrefour chain, and the growth in sales in the sports and leisure segment, due, *inter alia*, to increased sales by Sa'ar, primarily from increased sales to wholesalers as a result of the Iron Swords War and an increase in same stores and the opening of new stores, as well as the growth in Adidas brand sales as a result of the acquisition of 26 stores in December last year, and increased sales per metre in branches, partially offset by a decline in sales in the electrical consumer products segment due to a decrease in export sales of heating systems as a result of regulatory changes and a reduction in subsidies in Europe, as detailed in Section 26e of the consolidated financial statements. (See Section 4 below for additional details in connection with reporting on business segments.)

3.1.2. Gross profit

The gross profit rate in the reporting period came to approximately 29.3% of sales turnover, as compared with approximately 28.2% in the corresponding period of the previous year. The gross profit in the reporting period amounted to NIS 2,171 million as compared with NIS 1,830 million in the parallel period of the previous year, an increase of approximately 18.6%.

The gross profit rate in the fourth quarter stood at approximately 29.2% of the sales turnover, as compared with approximately 28.3% in the corresponding period of the previous year. The gross profit in the fourth quarter of 2024 came to NIS 558 million, as compared with NIS 481 million in the parallel period of the previous year, an increase of approximately 16.0%.

The increase in gross profit primarily derived from an increase in electrical retail segment sales, an increase in food segment sales turnover and savings on cost of sale, and an increase in sports and leisure segment sales turnover that was partly offset by a decrease in gross profit in the electrical consumer products segment. (See Section 4 below for additional details in connection with reporting on business segments.)

3.1.3. Selling and marketing expenses

Selling and marketing expenses amounted to NIS 1,740 million (approximately 23.5% of sales turnover) during the reporting period, as compared with NIS 1,604 million (approximately 24.7% of sales turnover) in the corresponding period of the previous year.

Sale and marketing expenses amounted to NIS 436 million (22.9% of sales turnover) in the fourth quarter of 2024 as compared with NIS 391 million (approximately 23.0% of sales turnover) in the parallel period of the previous year.

The increase in selling and marketing expenses primarily derived from an increase in the retail electrical retail segment and the sports and leisure segment due to an increase in sales turnover and the opening of new branches, offset in part by a decrease in selling expenses in the food segment, primarily as a result of the implementation of a streamlining plan. (See Section 4 below for additional details in connection with reporting on business segments.)

3.1.4. Administrative and general expenses

Administrative and general expenses amounted to NIS 103 million (approximately 1.4% of sales turnover) in the reporting period, as compared with NIS 94 million (approximately 1.4% of sales turnover) in the corresponding period of the previous year.

Administrative and general expenses amounted to NIS 22 million (1.2% of sales turnover) in the fourth quarter of 2024, as compared to NIS 22 million (1.3% of sales turnover) during the corresponding period of the previous year.

The increase in general and administrative expenses was primarily due to higher professional consulting expenses, an increase in management fees to the parent company from an increase in amortisation expenses and an increase in salary expenses, mainly as a result of employee bonuses for meeting targets.

3.1.5. Operating income before other income (expenses), net, and reorganisation revenues (expenses)

Operating income before other income (expenses), net, and reorganisation expenses, amounted to NIS 317 million in the reporting period, as compared with NIS 123 million in the corresponding period in the previous year.

Operating income before other income (expenses), net, and reorganisation expenses amounted to NIS 98 million in the fourth quarter of 2024, as compared with NIS 66 million in the corresponding period of the previous year.

The increase in profit was mainly due to the increase in sales and improved results in most sectors.

3.1.6. Other income (expenses), net

Other net income amounted to NIS 14 million in the reporting period, as compared with expenses of NIS 58 million in the parallel period of the previous year.

Other net income amounted to the sum of NIS 5 million in the fourth quarter of 2024, as compared with other expenses, net, of NIS 85 in the corresponding period of the previous year.

Below is a breakdown of the composition of other income (expenses):

	For the year ended at 31 December		For the three months ended at 31 December	
	2024	(*) 2023	2024	(*) 2023
Capital gain (loss) from disposal of property, plant, and equipment	4	(1)	3	-
Impairment of investment property	(4)	(8)	(2)	(6)
Capital gain from sale of consolidated partnership credit portfolio	-	34	-	-
Income from decrease in control in previously consolidated partnership	-	4	-	-
Transaction costs and consulting expenses for previous years	(5)	(12)	-	(7)
Impairment of goodwill	-	(67)	-	(67)
Iron Swords War grant	4	4	-	4
Revenues, net, from lawsuits	10	1	(3)	(1)
Expenses for setting up the support system for establishing the Carrefour chain prior to its operation	-	(8)	-	-
Other	5	(5)	7	(8)
Total	**14**	**(58)**	**5**	**(85)**

(*) Reclassified with respect to discontinued operations; see Note 29 to the consolidated financial statements.

3.1.7. Reorganisation revenues (expenses)

Reorganisation expenses during the reporting period totalled NIS 1 million, while reorganisation expenses in the fourth quarter of 2024 amounted to NIS 7 million. Reorganisation expenses in the fourth quarter derived from a structural change as set forth in Section 1.3.6 above.

3.1.8. Operating income (loss) after other income (expenses), net, and reorganisation income (expenses)

Operating income after other income and reorganisation expenses amounted to NIS 330 million in the reporting period, as compared with NIS 55 million in the corresponding period of the previous year.

Operating income after other income and reorganisation expenses amounted to NIS 96 million in the fourth quarter of 2024, as compared with NIS 29 million in the corresponding period of the previous year.

The increase in operating profit after other income, net, and reorganisation expenses was mainly due to the increase in sales and improved results in most sectors, as set forth in Section 4.2 above.

3.1.9. Net financing income (expenses)

Financing expenses, net, amounted to NIS 239 million in the reporting period, as compared with NIS 209 in the parallel period of the previous year.
Financing expenses, net, amounted to NIS 65 million in the fourth quarter of 2024, as compared with NIS 50 million in the corresponding period of the previous year.
The increase in financing expenses, net, in the reporting period and during the fourth quarter of 2024 primarily derived from an increase in financing expenses in respect of IFRS 16, primarily as a result of new rental agreements, primarily in the food segment, offset in part as a result of an update to the fair value of the call option to purchase the previous controlling shareholder's share in Global Retail C.I. Ltd. in the corresponding period in the previous year, an increase in interest income from deposits and securities, and a decrease in currency exchange rate translation costs.

3.1.10. Income (loss) before taxes on income

Income before taxes on income amounted to NIS 91 million in the reporting period, as compared with income before taxes on income of NIS 154 million in the corresponding period of the previous year. This derived primarily from a decrease in losses before taxes in the retail food segment and from improved income before tax in the retail electrical and the sports and leisure segments, as noted in Sections 4.1, 4.2, and 4.3 below.
Income before taxes in the third quarter of 2024 totalled NIS 42.5 million, compared to a profit before taxes of NIS 14.8 million in the corresponding period of the previous year, primarily resulting from a transition from loss to earnings before taxes in the retail food segment in the fourth quarter of 2024.

3.1.11 Taxes on income

Expenses for taxes on income amounted to NIS 31 million in the reporting period, as compared with NIS 11 million in the corresponding period of the previous year.
Expenses for taxes on income amounted to NIS 7 million in the fourth quarter of 2024, as compared with NIS 3 million in the corresponding period of the previous year.
The increase in tax expenses during the reporting period primarily derived from an increase in income before tax in all of the Company operating segments and a tax return for prior years received last year in the food segment.

3.1.12 Net income (loss) from continuing operations

The net income from continuing operations during the reporting period amounted to NIS 60 million as compared with a loss of NIS 165 million in the corresponding period of the previous year, primarily resulting from a reduction in the loss in the food retail segment compared to of the previous year.

Earnings from continuing activities amounted to NIS 24 million in the fourth quarter of 2024, as compared with NIS 82 million in the corresponding period of the previous year.

In the fourth quarter of 2024, the food segment reported net income for the second straight quarter from continuing operations in the amount of NIS 3 million.

3.1.13. Loss from discontinued operations

Losses from discontinued operations amounted to NIS 26 million in the reporting period, as compared with NIS 117 million in the corresponding period of the previous year.

Losses from discontinued operations in the fourth quarter of 2024 amounted to NIS 11 million, as compared with NIS 69 million in the corresponding period of the previous year.

For additional details regarding discontinued operations, see Note 29 to the consolidated financial statements.

3.1.14. Net income (loss)

Net income during the reporting period amounted to NIS 34 million, as compared with net loss of NIS 282 million in the corresponding period of the previous year.

Net income amounted to NIS 13 million in the fourth quarter of 2024, as compared with NIS 151 million in the corresponding period of the previous year.

The main increase in net income during the reporting period compared to the loss last year was primarily due to a decrease in the loss in the food retail segment during the reporting period compared to the previous year as a result of improved results in the segment and the implementation of a streamlining programme as described above (last year, many branches were closed for a time for their conversion and preparation for the launch of Carrefour) and an increase in segmental income in the electrical retail segment and the sports and leisure segment. (See Section 4 below for additional details in connection with reporting on business segments.)

3.1.15. Net income (loss) attributed to Company shareholders

Net income attributed to Company shareholders amounted to NIS 52 million in the reporting period, as compared with net loss attributed to the Company's shareholders in the sum of NIS 101 million in the corresponding period of the previous year.

Net income attributed to the Company's shareholders amounted to NIS 3 million in the fourth quarter of 2024, as compared with NIS 79 million in the corresponding period of the previous year.

The primary increase in net income attributed to the Company's shareholders was due primarily to a decrease in the loss in the food retail segment during the reporting period compared to the previous (last year, many branches were closed for a significant amount of time for their conversion and preparation for the launch of Carrefour) and an increase in segmental income in the electrical retail segment and the sports and leisure segment.

3.1.16. EBITDA *)

EBITDA amounted to NIS 704 million in the reporting period, as compared with NIS 471 million in the parallel period of the previous year, an increase of 49%. EBITDA in the fourth quarter of 2024 came to NIS 202 million, as compared with NIS 156 million in the corresponding period of the previous year, an increase of approximately 29%. The increase in EBITDA was mainly due to growth in the food segment compared to the same period the previous (last year, many branches were closed for some time for their conversion and preparation for the launch of Carrefour), as well as growth in the electrical retail segment and the sports and leisure segment, partially offset by a decrease in the electrical consumer products segment.

EBITDA, net of the retail food segment, amounted to NIS 355 million in the reporting period, as compared with NIS 290 million in the parallel period of the previous year, reflecting an increase of 22%.

EBITDA, net of the retail food segment, amounted to NIS 95 million in the fourth quarter of 2024, as compared with NIS 71 million in the parallel period of the previous year, reflecting an increase of 34%. This derived primarily from the electrical retail segment and the sports and leisure segment.

EBITDA net of the effects of IFRS 16 during the reporting period amounted to NIS 336 million, as compared with NIS 171 million in the corresponding period of the previous year, an increase of approximately 96%. During the fourth quarter of 2024, EBITDA net of the effects of IFRS 16 came to the same of NIS 100 million, compared to EBITDA in the sum of NIS 84 million in the corresponding period of the previous year.

The increase in EBITDA was due to improved results in most segments, as mentioned.

*) EBITDA is calculated as earnings before depreciation and amortisation, financing expenses, net, other income (expenses), and taxes on income.

3.2 Summary of business results by period (in NIS millions):

	Quarter 10-12/2024	(**)	Quarter 7-9/2024	(**)	Quarter 4-6/2024	(**)	Quarter 1-3/2024	(**)	Quarter (*) 10-12/2023	(**)
Revenues from sales and provision of services	1,908		1,978		1,766		1,754		1,702	
Cost of sales and provision of services	(1,350)		(1,399)		(1,247)		(1,239)		(1,221)	
Gross profit	**558**	29.2%	**579**	29.3%	**519**	29.4%	**515**	29.4%	**481**	28.3%
Selling and marketing expenses	(436)		(458)		(430)		(416)		(391)	
Administrative and general expenses	(22)		(28)		(28)		(25)		(22)	
Research and development expenses	(2)		(2)		(3)		(3)		(2)	
Group's share in losses of companies treated according to the equity method, net	-		-		-		(1)		-	
Operating income before other income (expenses) and reorganisation income (expenses)	**98**	5.1%	**91**	4.6%	**58**	3.3%	**70**	4.0%	**66**	3.9%
Other income (expenses), net	5		12		4		(7)		(85)	
Reorganisation revenues (expenses)	(7)		(1)		1		6		(10)	
Operating profit (loss) after other income (expenses) and reorganisation expenses	**96**	5.0%	**102**	5.2%	**63**	3.6%	**69**	3.9%	**(29)**	(1.7%)
Financing income	7		4		6		4		2	
Financing expenses	(72)		(64)		(70)		(54)		(52)	
Income (loss) before taxes on income	**31**		**42**		**(1)**		**19**		**(79)**	
Taxes on income	(7)		(9)		(3)		(12)		(3)	
Net income (loss) from continuing operations	**24**		**33**		**(4)**		**7**		**(82)**	
Loss from discontinued operations	**(11)**		**(6)**		**(5)**		**(4)**		**(69)**	
Net income (loss)	**13**		**27**		**(9)**		**3**		**(151)**	
Other comprehensive income (loss)										
Loss from remeasurement for defined benefit plans	(2)		-		-		-		(1)	
Profit (loss) with respect to cash flow hedging transactions	(1)		-		1		2		(2)	
Total comprehensive profit (loss)	**10**		**27**		**(8)**		**5**		**(154)**	

(*) Reclassified – See Note 29 to the annual consolidated financial statements for additional details regarding the reclassification of discontinued operations.
(**) Percentage of turnover.

4. Report on business segments

4.1. Revenues (in NIS millions):

	For the year ended at 31 December			
	2024	(* 2023	% change (**)	(* 2022
Electrical consumer products	1,162	1,235	(5.9%)	1,387
Electrical retail	2,550	2,056	24.0%	1,950
Retail food	3,338	3,030	10.2%	2,779
Sports and leisure	510	297	71.8%	214
Investment property	13	12	8.3%	11
Adjustments and other	(167)	(142)	-	(161)
Total	7,406	6,488	14.1%	6,180

	For the three months ended at 31 December		
	In NIS Thousands		
	2024	(* 2023	% change (**)
Electrical consumer products	228	235	(3.0%)
Electrical retail	692	539	28.4%
Retail food	845	836	1.1%
Sports and leisure	167	119	40.3%
Investment property	3	3	-
Adjustments and other	(27)	(30)	-
Total	1,908	1,702	12.1%

(*) Reclassified because of discontinued operations; for additional details, see Note 29 to the consolidated financial statements.
(**) The percent change is calculated based on the ratio between the 2024 results and the 2023 results.

4.2. Segmental income (loss) (in NIS millions):

	For the year ended at 31 December			
	2024	(* 2023	% change (**)	(* 2022
Electrical consumer products	74	80	(7.5%)	124
Electrical retail	113	86	31.4%	81
Retail food	108	(45)	-	59
Sports and leisure	47	18	161.1%	20
Investment property	13	12	8.3%	11
Adjustments and other	(2)	2	-	-
Total segmental income	353	153	130.7%	295
Other income (expenses), net	14	(58)	-	16
Reorganisation expenses	(1)	(10)	-	(52)
Unallocated shared expenses	(36)	(30)	-	(42)
Operating income	330	55	500.0%	217

	For the three months ended at 31 December		
	2024	(* 2023	% change (**)
Electrical consumer products	6	2	200%
Electrical retail	23	22	-
Retail food	41	26	61.6%
Sports and leisure	29	21	38.1%
Investment property	3	3	-
Adjustments and other	3	-	-
Total segmental income	105	74	41.9%
Other income (expenses), net	4	(85)	-
Reorganisation expenses	(7)	(10)	-
Unallocated shared expenses	(6)	(8)	-
Operating income	96	(29)	431%

(*) Reclassified because of discontinued operations; for additional details, see Note 29 to the consolidated financial statements.

(**) The percent change is calculated based on the ratio between the 2024 results and the 2023 results.

4.3 Segmental EBITDA (in NIS millions):

	For the year ended at 31 December			
	2024	(* 2023	% change (**)	(* 2022
Electrical consumer products	100	110	(9.1%)	151
Electrical retail	167	136	22.8%	132
Retail food	349	181	92.8%	245
Sports and leisure	110	59	86.4%	49
Investment property	13	12	8.3%	11
Adjustments and other	-	3	-	1
Total segmental EBITDA	739	501	47.5%	589
Unallocated shared expenses	(35)	(30)	-	(42)
EBITDA	704	471	49.5%	547

	For the three months ended at 31 December		
	2024	(* 2023	% change (**)
Electrical consumer products	13	9	44.4%
Electrical retail	37	35	5.7%
Retail food	107	85	25.9%
Sports and leisure	46	31	48.4%
Investment property	3	3	-
Adjustments and other	3	1	-
Total segmental EBITDA	209	164	27.4%
Unallocated shared expenses	(7)	(8)	-
EBITDA	202	156	29.5%

(*) Reclassified because of discontinued operations; for additional details, see Note 29 to the consolidated financial statements.
(**) The percent change is calculated based on the ratio between the 2024 results and the 2023 results.

4.4. Segmental EBITDA net of the effects of IFRS 16 (in NIS millions):

	For the year ended at 31 December			
	2024	(* 2023	% change (**)	(* 2022
Electrical consumer products	95	103	(7.8%)	145
Electrical retail	120	93	29.0%	89
Retail food	98	(33)	-	42
Sports and leisure	48	25	92.0%	25
Investment property	13	12	8.3%	11
Adjustments and other	-	3	-	1
Total segmental EBITDA	374	203	84.2%	313
Unallocated shared expenses	(38)	(32)	-	(43)
EBITDA	336	171	96.5%	270

	For the three months ended at 31 December		
	2024	(* 2023	% change (**)
Electrical consumer products	11	7	57.1%
Electrical retail	24	24	-
Retail food	37	34	8.8%
Sports and leisure	29	23	26.1%
Investment property	3	3	-
Adjustments and other	3	1	-
Total segmental EBITDA	107	92	16.3%
Unallocated shared expenses	(7)	(8)	-
EBITDA	100	84	19.0%

(*) Reclassified because of discontinued operations; for additional details, see Note 29 to the consolidated financial statements.
(**) The percent change is calculated based on the ratio between the 2024 results and the 2023 results.

4.5 Explanation of the data that appears in the table

(1) Electrical retail

Sales turnover amounted to NIS 2,550 million in the reporting period, as compared with NIS 2,056 million in the corresponding period of the previous year, which constitutes an increase of 24.0%. The increase in sales was mainly due to the growth in same store sales, as well as an increase in online sales compared to the parallel period of the previous year. This was despite a significant decrease in duty-free shop operations as a result of the impact of the Iron Swords War.

The sales in the same stores in the segment that fully operated in the reporting period increased by approximately 22.5% in comparison to the corresponding period of the previous year. Excluding sales from duty-free shops, sales in identical stores that operated fully during the reporting period increased by 25.8% compared to the corresponding period of the previous year.

Monthly average sales per square metre in the same stores amounted to NIS 5,932 per square metre, as compared with NIS 4,991 per square metre in the parallel period of the previous year.

Segmental income before other income, net, increased and amounted to NIS 113 million in the reporting period, reflecting 4.4% of turnover, as compared with NIS 86 million - reflecting 4.2% of turnover - in the corresponding period of the previous year. The increase primarily derived from an increase in same store sales.

Sales turnover amounted to NIS 692 million in the fourth quarter of 2024, as compared with NIS 539 million in the parallel period of the previous year, reflecting an increase of 28.4%. The increase in sales in the fourth quarter of 2024 was mainly due to the growth in the fourth quarter same store sales, as well as an increase in online sales compared to the parallel period of the previous year.

The sales in the same stores in the segment that fully operated in the fourth quarter of 2024 increased in comparison to the corresponding period of the previous year by 22.0%.

Monthly average sales per square metre in the same stores in the fourth quarter of 2024 amounted to NIS 6,211, as compared with NIS 5,158 per square metre in the corresponding period of the previous year.

Segmental income before other income, net amounted to NIS 23 million in the fourth quarter of 2024, reflecting 3.3% of turnover, as compared with NIS 22 million, reflecting 4.1% of turnover, in the parallel period of the previous year.

(2) Retail food

Sales turnover amounted to NIS 3,338 million in the reporting period, as compared with NIS 3,030 million in the corresponding period of the previous year, which constitutes an increase of 10.2%. The increase in sales turnover was mainly due to the growth in sales from branches converted to Carrefour starting from May last year and the opening of new branches under the Carrefour brand.

The sales turnover at stores that were converted to Carrefour amounted to NIS 3,161 million in the reporting period, as compared with NIS 2,830 million corresponding period of the previous year, reflecting **an increase of 11.7%**.

The sales in the same stores in this segment that operated fully in the reporting period (including stores that were converted to Carrefour) **increased by 5.68% as compared to the parallel period of the previous year**.

Monthly average sales per square metre in same stores during the reporting period (including stores that were converted to Carrefour) amounted to NIS 29,466, as compared with an NIS 26,802 per square metre annual average corresponding period of the previous year.

Annual average sales per square metre in Carrefour stores that were full operational amounted to NIS 35,681 per square metre during the reporting period, as compared with NIS 31,447 per square metre in those same stores in the parallel period of the previous year, and **reflect an increase of 13.46%**.

Segmental income before other expenses, net, amounted to NIS 108 million in the reporting period, reflecting 3.2% of turnover, as compared with a loss before other income, net, of NIS 45 million corresponding period of the previous year. The increase in segmental income derived primarily from increased sales in stores that had been converted to Carrefour and operated fully during the reporting period, compared to the corresponding period of the previous year (the launch was during the course of May, last year), increased sales at same stores, and the continued implementation of the abovementioned streamlining plan.

The retail food segment continues to present positive EBITDA net of IFRS 16 in the sum of NIS 98 million during the reporting period, as compared with negative EBITDA in the sum of NIS 33 million in the corresponding period of the previous year.

Sales turnover amounted to NIS 845 million in the fourth quarter of 2024, as compared with NIS 836 million in the corresponding period of the previous year, and reflects an increase of 1.1% compared with the corresponding period of the previous year. The fourth quarter of the previous year was positively affected by the "Iron Swords War" as a result of food stockpiling at the beginning of the war, such that absent the effects of the war, sales turnover in the fourth quarter of 2024 increased at a higher rate than in the parallel period of the previous year, mainly as a result of the increase in sales at stores that were converted to Carrefour.

The increase in sales turnover was mainly due to the growth in sales from branches converted to Carrefour starting from May last year and the opening of new branches under the Carrefour brand.

Sales turnover in stores converted to Carrefour amounted to NIS 809 million in the fourth quarter of 2024, as compared with NIS 801 million in the corresponding period of the previous year, **reflecting an increase of approximately 1%.**

The sales in the same stores in this segment that operated fully in the fourth quarter of 2024 (including stores that have been converted to Carrefour) decreased by approximately 2% as compared to the corresponding period of the previous year.

Monthly average sales per square metre in same stores in the fourth quarter of 2024 (including stores that were converted to Carrefour) amounted to NIS 30,248 per square metre, as compared with an NIS 29,697 per square metre annual average in the corresponding period of the previous year.

Annual average sales per square metre in Carrefour stores that were fully operational amounted to NIS 33,533 per square metre in the fourth quarter of 2024, as compared with NIS 31,467 per square metre in those same stores in the parallel period of the previous year.

Segmental income before other income, net, and reorganisation expenses amounted to NIS 41 million in the fourth quarter of 2024, reflecting 4.9% of turnover, as compared with NIS 26 million, reflecting 3.1% of turnover, in the parallel period of the previous year. The increase in segmental income compared to the corresponding period of the previous year derived primarily from increased sales in stores that had been converted to Carrefour and the continued implementation of the abovementioned streamlining plan.

During the fourth quarter of 2024, the retail food segment presented positive EBITDA net of IFRS 16 amounting to NIS 37 million, as compared with NIS 34 million in the corresponding quarter last year.

(3) Sports and leisure

The sales turnover amounted to NIS 510 million in the reporting period, compared with NIS 297 million in the corresponding period in the previous year, **reflecting an increase of 71.8% compared to the corresponding period of the previous year**. The increase in revenue turnover derived from increased revenues by Sa'ar, primarily due to the opening of new stores, increased wholesale operations, *inter alia*, because of the Iron Swords War, and increased in same store sales per square metre, increased revenues for the Adidas brand due to expanded brand operations, and increased same store sales and sales per square metre during the reporting period compared to the corresponding period of the previous year.

The sales in the Sa'ar's same stores in the that operated fully in the reporting period **increased by 28%** compared to the parallel period of the previous year. Moreover, proforma sales in the Adidas brand same stores **increased by 35%** as compared to the corresponding period of the previous year.

Monthly average sales per square metre in the Sa'ar's same stores in the reporting period amounted to NIS 1,391, as compared with NIS 1,111 per square metre in the corresponding period of the previous year. Monthly average sales per square metre in the Adidas brand same stores in the reporting period amounted to NIS 1,464 per square metre, as compared with NIS 1,082 per square metre in the corresponding period of the previous year.

Segmental income before other income, net, amounted to NIS 47 million in the reporting period, reflecting 9.2% of turnover, as compared with NIS 18 million, reflecting 6.1% of turnover, in the corresponding period of the previous year. The increase in segmental income primarily derived from an increase in sales, as noted above.

The sales turnover amounted to NIS 167 million in the fourth quarter of 2024, as compared with NIS 119 million in the in the corresponding period in the previous year, reflecting an **increase of 40% compared to the corresponding period of the previous year**. The increase in sales turnover derived from increased revenues by Sa'ar, *inter alia*, because of increased same store sales, the opening of new stores, increased in store sales per square metre, as well as due to increased revenues for the Adidas brand due to expanded brand operations, and increased same store sales and sales per square metre in the fourth quarter of 2024 compared to the corresponding period of the previous year.

The Sa'ar's sales for same stores that operated fully in the fourth quarter of 2024

increased by 56% as compared to the corresponding period of the previous year. Furthermore, sales for Adidas brand same stores that operated fully in the fourth quarter of 2024 **increased by 80%** as compared to the corresponding period of the previous year.

Monthly average sales per square metre in the Sa'ar brand same stores in the fourth quarter of 2024 amounted to NIS 2,112 per square metre, as compared with NIS 1,380 per square metre in the corresponding period of the previous year. Monthly average sales per square metre in the Adidas brand same stores in the fourth quarter of 2024 amounted to NIS 1,670 per square metre, as compared with NIS 927 per square metre in the corresponding period of the previous year.

Segmental income before other income, net, amounted to NIS 29 million in the fourth quarter of 2024, reflecting 17.4% of turnover, as compared with NIS 20.6 million, reflecting 17.3% of revenue turnover in the parallel period of the previous year. The increase in segmental income primarily derived from an increase in same store sales.

(4) Electrical consumer products

The sales turnover amounted to NIS 1,162 million in the reporting period, as compared with NIS 1,235 million corresponding period of the previous year, a decrease of 5.9%.The decrease in revenues was mainly due to a reduction in export sales of heating systems as a result of regulatory changes and a reduction in subsidies in Europe. (For additional details, see Note 26e to the consolidated financial statements.)

After neutralising sales in the heating systems export segment, the segment's sales turnover during the reporting period remained identical compared to the corresponding period of the previous year.

Segmental income before other expenses, net, amounted to NIS 74 million in the reporting period, as compared with NIS 80 million in the parallel period of the previous year. The decrease in segmental income primarily derived from the decrease in revenue turnover.

Sales turnover amounted to NIS 228 million in the fourth quarter of 2024, as compared with NIS 235 million in the corresponding period of the previous year, reflecting an increase of 3%. The decrease in sales in the fourth quarter of 2024 was mainly due to a reduction in export sales of heating systems as a result of regulatory changes and a reduction in subsidies in Europe.

After neutralising sales in the heating systems export sector in the fourth quarter of 2024, the segment's sales turnover increased by NIS 12 million compared the corresponding period of the previous year.

Segmental income before other income, net, amounted to NIS 6 million in the fourth quarter of 2024, as compared with NIS 2 million in the corresponding period of the previous year.

(5) Investment property

Sales turnover amounted to NIS 13 million in the reporting period, as compared with NIS 12 million in the parallel period of the previous year.

Segmental income amounted to NIS 13 million in the reporting period, as compared with NIS 12 million in the parallel period of the previous year.

Sales turnover amounted to NIS 3 million in the fourth quarter of 2024, as compared with NIS 3 million in the corresponding period of the previous year.

Segmental income amounted to NIS 3 million in the fourth quarter of 2024, as compared with NIS 3 million in the corresponding period of the previous year.

5. Impact of the implementation of International Financial Reporting Standard No. 16 – Leases

Impact of IFRS 16 – Leases on the consolidated statement of profit and loss (in NIS millions)

	1-12/2024		1-12/2023	
	As reported	Net of the impact of IFRS 16 – Leases	As reported	Net of the impact of IFRS 16 – Leases
Operating income (loss)	330	230	55	(5)
Financing expenses, net	(239)	(103)	(209)	(122)
Earnings (loss) before taxes on income	91	127	(154)	(127)
Taxes on income	(31)	(31)	(11)	(11)
Net income (loss) from continuing operations	**60**	**96**	**(165)**	**(138)**
Loss from discontinued operations	(26)	(26)	(117)	(113)
Net income (loss)	34	70	(282)	(251)
Net income (loss) attributed to Company shareholders	52	69	(101)	(90)
EBITDA	704	336	471	171

	10-12/2024		10-12/2023	
	As reported	Net of the impact of IFRS 16 – Leases	As reported	Net of the impact of IFRS 16 – Leases
Operating income (loss)	96	65	(29)	(44)
Financing expenses, net	(65)	(25)	(50)	(28)
Income (loss) before taxes on income	31	40	(79)	(72)
Taxes on income	(7)	(7)	(3)	(3)
Net income (loss) from continuing operations	**24**	**33**	**(82)**	**(75)**
Loss from discontinued operations	(11)	(11)	(69)	(65)
Net income (loss)	13	22	(151)	(140)
Net income (loss) attributed to Company shareholders	3	7	(79)	(74)
EBITDA	202	100	156	84

Below are details of the adjustments made for the presentation of the results net of the effect of IFRS 16 - Leases:

	For the year ended at 31 December		For the three months ended at 31 December	
	2024	2023	2024	2023
	In Millions NIS			
Operating income (loss) as reported	**330**	**55**	**96**	**(29)**
Additional rental expenses resulting from the neutralisation of the effects of the application of IFRS 16	(368)	(300)	(102)	(72)
Net of depreciation effects - IFRS 16	268	245	70	62
Net of other income due to contract reductions	-	(5)	1	(5)
Operating income (loss) after neutralisation of IFRS 16 impacts	**230**	**(5)**	**65**	**(44)**
Net of effects of financing expenses when applying IFRS 16	136	87	40	22
EBITDA as reported	**704**	**471**	**202**	**156**
Inclusion of rent expenses	368	300	102	72
EBITDA net of effects of IFRS 16	**336**	**171**	**100**	**84**

6. Distribution of sources of financing. (See also Section 19 of Part A of the periodic report.)

6.1 The following is a brief summary of the cash flows (in NIS millions):

	For the period of one year ended at 31 December		
	2024	2023	2022
Cash generated (absorbed) by			
Current operations	559	297	330
Investment operations	(449)	(* (542)	(282)
Cash used in discontinued operations	-	-	(88)
Financing	(193)	(* 58	259
Increase (decrease) in cash and cash lents	(83)	(187)	219

(*) Reclassified.

6.2 Average amount of credit extended to customers as well as credit from suppliers for 2024 and 2023 (in NIS millions):

	Average amount in trade receivables (in NIS millions)	
	2024	2023
Electrical consumer products	458	476
Electrical retail	198	178
Retail food	126	117
Sports and leisure	66	40

	Average amount in trade payables (in NIS millions)	
	2024	2023
Electrical consumer products	290	303
Electrical retail	854	704
Retail food	830	869
Sports and leisure	77	69

6.3. Cash flows generated by current operations

Net cash deriving from current operations during the reporting period and during the fourth quarter of 2024 amounted to NIS 559 million and NIS 345 million, respectively, as compared with NIS 297 million and NIS 293 million, respectively, during the corresponding periods of the previous year. The increase in cash flows from current operations in the reporting period as compared with the parallel periods of the previous year primarily derived from an improvement in most of the Company's operating segments.

6.4. Cash flows absorbed by investment activity

Net cash that was used by investment activity amounted to NIS 449 million in the reporting period, as compared with NIS 542 million in the corresponding period of the previous year. The change during the reporting period derived primarily from the investment of cash in short-term deposits, net, in the sum of NIS 150 million, investment in marketable securities, net, in the sum of NIS 16 million, deferred payment for an activity acquired last year amounting to NIS 48 million, and investment in property, plant and equipment in the sum of NIS 222 million.Net cash used for investing activities in the same period last year was primarily utilised for investment in the renovation and conversion of branches in preparation for the launch of Carrefour and for investment in short-term deposits and were offset in part by the proceeds from the disposal of a credit portfolio in a consolidated partnership.

Net cash absorbed by investment operations amounted to NIS 91 million in the fourth quarter of 2024, as compared with net cash that was used in investment operations of NIS 90 million in the parallel period of the previous year. The primary change in the fourth quarter of 2024 resulted from investment in property, plant and equipment and other. Net cash used for investing activities in the same period last year was primarily utilised for investment in the renovation and conversion of branches in preparation for the launch of Carrefour.

6.5 Cash flows generated by financing activity

The net cash absorbed by financing activity amounted to approximately NIS 193 million in the reporting period, as compared with net cash of approximately NIS 58 million that derived financing activity in the parallel period of the previous year. Net cash absorbed by financing activities during the reporting period was mainly used in repaying long term loans from banks and others i the sum of NIS 141 million, repayment of debentures in the sum of NIS 82 million, from repayment of lease liabilities in the sum of NIS 226 million, from payment to noncontrolling interests for the acquisition of their share in consolidated companies in the sum of NIS 18 million, a buyback of Company shares in the amount of NIS 18 million, and from payment for the Carrefour franchise in the sum of NIS 44 million. These were partially offset by the issuing of debentures, net in the sum of NIS 178 million, short-term bank credit in the sum of NIS 62 million, the issuing of equity to noncontrolling interests in a consolidated company in the sum of NIS 78 million, and by obtaining long term bank loans in the sum of NIS 30 million.

Net cash arising from financing activities during the parallel period last year primarily derived from long-term loans from banks and other corporations in the sum of NIS 248 million, mainly in the food segment, for the renovation and conversion of branches and their preparation for the launch of Carrefour, from the issuing of equity in the sum of NIS 124 million from the issuance of equity to holders of noncontrolling rights in a subsidiary in the sum of NIS 41 million, and from short-term credit from banks in the sum of NIS 56 million, and was partially offset primarily by the repayment of lease liabilities totalling NIS 211 million, repayment of long-term loans to banks and others amounting to NIS 59 million, the Company's buyback of shares for NIS 21 million, the acquisition of noncontrolling interests' shares for NIS 20 million, repayment of debentures in the sum of NIS 54 million, and the payment of dividends to the Company's shareholders totalling NIS 35 million.

Net cash that used for financing activity amounted to NIS 272 million in the fourth quarter of 2024, as compared with the sum of NIS 78 million in the parallel period of the previous year. The net cash that was used in financing activity in the fourth quarter of 2024 was primarily used for settling debentures in the sum of NIS 82 million, short-term bank credit in the sum of NIS 69 million, repayment of lease liabilities in the sum of NIS 59 million, repayment of loans from banks and others in the sum of NIS 42 million, payment of a dividend to noncontrolling interests in the sum of NIS 7 million, and the acquisition of intangible assets in the sum of NIS 13 million.

Net cash used for financing activities in the fourth quarter of 2023 was mainly used for short-term bank credit in the sum of NIS 98 million, for repayment of debentures in the sum of NIS 54 million, for the repayment of lease liabilities in the sum of NIS 50 million, for repayment of loans to banks and others in the sum of NIS 22 million, for a buyback of the Company's shares in the sum of NIS 9 million, and for the payment of dividends to noncontrolling shareholders in the sum of NIS 9 million, and was partially offset by the issuance of share capital in the sum of NIS 124 million and from the receipt of loans from banks and others in the sum of NIS 44 million.

7. Exposure to market risks and how they are managed

7.1 The person in charge of managing market risks at the Company

Deputy CEO, Mr. Yehonatan Tsabari, who was in charge of the Company's financial affairs, in ongoing consultation with members of the Group's management and in consultation with members of the board of directors, managed the Company's market risk. As of 1 March 2025, Ms. Liat Shoham now serves in the position of Chief Financial Officer. For details about her education, skills and business experience, see Article 26 in part D of the periodic report.

7.2. Description of market risks

For details about developments in the Company's macroeconomic environment and the impact of the developments on the Company's operations as well as details about the risk factors to which the Company is exposed, see the periodic report, Part A, Sections 6 and 27, respectively.

Most of the Company's exposure is to changes in exchange rates in light of the fact that the Company purchases some of its products/raw materials in foreign currency and sells them in NIS, as well as in light of the fact that a portion of the subsidiary's sales is in foreign currency and its operating currency is the NIS. The risk inherent in changes in exchange rates is characterised by the Company as low risk because the Company hedges this risk using a variety of financial instruments available in the market. Similarly, in the event of extreme volatility, the Group can adjust the sales prices of its products. For details, see Note 23 to the consolidated financial statements.

7.3. The Company's market risk management policy

The Group's operations expose it to the risks involved in various financial instruments, such as currency risks, credit risks, and cash flow risks with respect to interest rates. Market risk management is oriented toward economic exposure. The Group's risk management plan focuses on actions for restricting to a minimum, potential negative financial impacts on the Group's financial results. In some cases, the Group uses various financial instruments to hedge certain exposures to risks. Similarly, the Group has credit insurance policies for insuring some of its customers' debts pursuant to the amounts and deductibles that are set forth in the aforementioned credit insurance policies.

Members of the Group's management manage risk according to the fields of operations of the Group's companies and the risks relating to those various companies' operations. Accordingly, in the framework of the Group's overall risk management plan and in order to protect against risks that derive from exchange differences, the Group's companies review activities in various financial instruments to reduce exposure to possible negative effects on the Group's financial performance, including through hedging transactions to reduce currency risks. In addition, the Company conducts a robustness check and a credit control for its customers and regularly monitors receipts from customers.

7.4. Oversight of the risk management policy and how it is implemented

Such risk management is performed by the Company's management, the CEO and the CFO, in consultation with the board of directors. The board of directors' response to the issues of managing market risks is done from time to time and according to need.

8. Aspects of corporate governance

8.1. Directors with accounting and financial expertise

Taking into account their academic education, business experience, skills, and know-how, past and present, of the members of the board of directors, regarding business-accounting subjects as well as financial statement matters, the members of the Company's board of directors whom the board of directors views as possessing accounting and financial expertise are: Ms. Orly Ben-Yosef (independent director), and Mr. Gadi Lesin (external director), and Messrs. Daniel Salkind, Michael Salkind, and Avraham Israeli. For details about the education, skills, and business experience of the above directors pursuant to the provisions of Article 26 of the Reporting Regulations, see the periodic report, Chapter D, Section 26.

For details about the minimum number of directors with accounting and finance expertise whom the board of directors has determined to be suitable to the Company, see the corporate governance questionnaire attached to the periodic report, Part E.

8.2. Independent directors

For details about the Company's independent directors pursuant to Article 26 of the Reporting Regulations, see the periodic report, Chapter D, Section 26, as well as the corporate governance questionnaire attached to the periodic report, Part E.

9. Buyback plan

On 10 August 2022, the Company's board of directors approved an additional plan to buy back - from 10 August 2022 and up until 9 August 2025 - up to NIS 100 million of Company shares (the "**August 2022 Plan**") in lieu of a previous plan to buy back Company shares as previously approved.

In the framework of the August 2022 Plan, the Company, during the reporting period, acquired 239,040 ordinary shares of par value NIS 1 in the Company for total consideration of NIS 18 million.

10. Company dividend distribution policy

On 2 February 2022, the Company's board of directors approved the adoption of a dividend distribution policy that will apply to the financial statements from 2021 and thereafter as set forth below:

The Company shall distribute a dividend to shareholders at a rate of 50% of its annual net income pursuant to the Company's last consolidated financial statements, subject to the provisions of all law, including the distribution tests pursuant to the Companies Law, 1999, and the financial restrictions and stipulations that were established or that shall be established from time to time in the Company's financing agreements, including the terms of bonds that the Company will issue, if any. (For details regarding the issuance of Series A bonds, see Note 21b to the consolidated financial statements.)

To clarify, this policy shall not be viewed as an undertaking by the Company to distribute a dividend, and the Company's board of directors shall be entitled to review the above dividend distribution policy from time to time and resolve, at any time, to change the policy or the amount of the dividend to be distributed or resolve that a dividend will not be distributed at all.

11. Disclosure with respect to the internal auditor

11.1. Internal auditor details

A. The Company's internal auditor is Ms. Linur Dloomy ("**Ms. Dloomy**"). Ms. Dloomy holds a Bachelor of Business Administration and Accounting from the Academic Track of the College of Management as well as an LLM from Bar-Ilan University. Ms. Dloomy is a CPA and a member of the Institute of Certified Public Accountants in Israel and of the Israel Institute of Internal Auditors and, as of 2001, is engaged in risk management and internal auditing. She is currently the Consulting Division Leader at Deloitte Israel.

B. To the best of the Company's knowledge, Ms. Dloomy meets the conditions established in Sections 3(A) and 8 to the Internal Audit Law, 1992 (the "**Internal Audit Law**") and Section 146(B) to the Companies Law. Similarly, as of the Reporting Date, Ms. Dloomy does not hold securities of the Company and/or any entity related to it and has no material business or other ties to the Company, or any entity connected to it. Ms. Dloomy is the Company's outsourced internal auditor. In this respect, a "related entity" – as defined in Section 1 to the Fourth Supplement to the Reports Regulations. Ms. Linur Dloomy is the internal auditor for the Company, Electra Ltd., Electra Real Estate Ltd., and Electra Power (2019) Ltd., publicly traded companies that are subsidiaries of Elco Ltd. as well as for Elco Ltd.

11.2. Appointment method

The appointment of Ms. Dloomy as the Company's internal auditor was approved by the Company's board on 23 January 2023 (after receiving the recommendation of the Audit Committee on that same day). In that resolution and as background to the approval of the above appointment, the directors considered and discussed the details of Ms Dloomy's education, skills, and professional experience, as noted above, and her roles, duties, powers, and obligations in the Company as against the Company's type and size and the scope and complexity of its operations. The internal auditor's first term shall be five years.

11.3. Identity of the person supervising the internal auditor

The organisational supervisor for the internal auditor within the Company is the chair of the board of directors.

11.4. The work plan

The work plan is a plan for a period of four years. The work plan for the internal audit of the Company is determined, *inter alia*, according to the audit plan risk survey and is also based, *inter alia*, based on the following considerations: coverage of the Company's primary fields of activity; risk and exposure areas of concern of which the auditor and management are aware; potential for savings and efficiency; turnover; and performance of re-audits to monitor the correction of defects and the implementation of recommendations.

The audit work plan is submitted for review and approval by the audit committee and the Company's board of directors.
The internal auditor has the discretion to deviate from the work plan as needed.
During the reporting period, no material transactions as defined in Section 5(f) of the Fourth Addendum to the Securities Regulations (Periodic and Immediate Reports), 1970, were examined.

11.5. Audits of investees

The multi-year audit plan also refers to material corporations held by the Company.
The audit was carried out by CPA Linor Dloomy, the internal auditor appointed in January 2023, and her team of professional subordinates under her direction.

11.6. Scope of employment

Below is an assessment of the scope of the annual audit that was performed by the internal auditor and the staff that is subordinate to her:

Assessment of the scope of the work by hours for 2024			
	In the Company	In corporations held by the Company	Total
With respect to activities in Israel	20	3,322	3,342
With respect to activities overseas	-	-	-
Total	20	3,322	3,342

The scope of work is determined according to the risk survey conducted and in accordance with the work plan approved by the Audit Committee.

11.7. Conducting the audit

A. The internal auditor conducts her audit pursuant to accepted professional standards as set forth in Section 4(B) to the Internal Audit Law and professional guidelines that were approved and published by the Israel Institute of Internal Auditors and as set forth in the Companies Law.

B. To the best of the knowledge of the Company's board of directors, based on the internal auditor's statements, the internal auditor meets the requirements set forth in the professional standards.

11.8. Access to information

The internal auditor is granted free, continuous, and direct access to documents and information owned by the Company and corporations under its control, *inter alia*, by means of visits to the Company's properties, as necessary. Access includes the receipt of information from financial information and data systems as set forth in Section 9 to the Internal Audit Law.

11.9. The internal auditor's report

A. The internal auditor submitted written reports of her findings on a regular basis, from time to time, and according to the topics of the audits that were conducted over the course of the year. The audit reports were submitted, *inter alia*, to the chair of the board of directors, the chair of the audit committee, members of the audit committee, and the Company's CEO, and accordingly, discussions were held by the appropriate parties regarding the findings.

B. During the course of 2024 and up to the reporting date, there were five meetings of the Audit Committee at which the committee discussed various audit reports on the following dates: 4.3.2024, 22.5.2024, 21.8.2024, 24.12.2024, and 27.2.25.

11.10. The board of directors' assessment of the internal auditor's activities

In the opinion of the Company's board of directors, the scope, character, and continuity of the internal auditor's activities and work plan are reasonable under the circumstances and fulfil the objectives of the Company's internal audit.

11.11. Compensation

The internal auditor is an outside service provider for the Company, and thus, her services are provided to the Company annually and her payment, according to the terms of the engagement with Deloitte Israel, is approved once annually by the competent parties. The internal auditor's payment is calculated according to the actual auditing hours that she invested and at the hourly rate agreed upon with her in advance. It is the assessment of the board of directors that the internal auditor's compensation does not impact her professional judgement.

12. Social responsibility policy

12.1. As a leading group in its field, the Group is committed to ethical and responsible conduct toward the environment, the community, its customers, its employees, and additional interest holders. The group is involved in and invests in activities, connections, and long-term partnerships with organisations and associations that advance underprivileged adolescents, believing that this can create a significant impact on the community.

12.2. Corporate responsibility

As a business group that employs thousands of workers, the Group is bound by the principles of social and environmental corporate responsibility. During the course of 2024, the Group published its second corporate responsibility statement for 2021-2023. The report can be viewed on the Group's website.

For details about the Company's corporate responsibility, see the periodic report, Part A, Section 24.

12.3. Through these projects, the Company encourages its employees to active and ongoing participation based on an understanding that volunteer activities contribute to the workers' connection to society and the community that surrounds us.

12.4. Activity channels

A. The Group works to promote the subject of social responsibility as an integral part of its general strategic and business thinking and regularly holds activities with the participation of executives and employees

B. Ongoing collaboration with the Elem Association, which works to support at-risk youth all around Israel. This relationship includes ongoing volunteer activities by employees in the association's projects, including ongoing volunteering in the at-risk children and youth club in Kiryat Malachi, as well as a monetary donation.

C. Another example is the collaboration that combines the donation of products and an ongoing connection with the "Hagal Sheli" Association, which focuses on at-risk youth through surfing and a variety of activities for youth from all across the Israeli social spectrum: Jews, Arabs, secular, religious, immigrants, girls, and boys.

D. Since the events of 7 October 2023, the Company has been operating in a variety of fields providing support for the Gaza border communities, especially the Kerem Shalom community, donating equipment, electrical appliances and food to the armed forces in the various sectors, blood donation drive days for the company's employees to support the national needs in the medical field, and of course to support and assist the dozens of reservists called up from among the Group's employees .

E. The Group also donates electrical appliances to entities in need: associations, hospitals, educational institutions, security forces, etc.

F. The Group works to recruit and integrate special needs employees and established a social venture in the Group's offices that is staffed by employees with special needs for promotion of awareness of this issue. The complex operated throughout the entire period of the fighting and provided services to these workers even in complex periods.

G. With respect to activities in the framework of the Gershon Salkind Memorial Scholarship programme, see Note 31e(9) to the financial statements.

12.5. Contribution to the community

In 2024, the Group donated a total of NIS 1.83 million. For details about activities of the Gershon Salkind Memorial Scholarship programme, see Note 31e(9) to the annual consolidated financial statements.

13. Details relating to substantial valuations that served as a basis for determining the value of data in the periodic report.

As at 31 December 2024, the Company has a very substantial valuation in relation to the recoverable amounts from Global Retail's operations:

Below are details pursuant to Article 8B(I) to the Report Regulations regarding the valuation that was used as a basis in determining the data values in the Company's financial statements:

Valuation subject:	Recoverable amount from Global Retail's operations
Timing of the valuation:	31 December 2024
Value of the subject of the valuation that was determined pursuant to the valuation:	Approximately NIS 1,204 million.
Valuator information:	Fahn Kanne Advisors is a subsidiary of Fahn Kanne & Co., CPAs, one of the six largest firms in Israel. Fahn Kanne Advisors is a branch of the global Grant Thornton Advisory Services network, which specialises in guiding transnational transactions; conducting valuations; providing consultation for the execution of transactions; corporate public offerings in capital markets around the world; and advising on project management and finance. The work was performed by CPA Shlomi Bartov, partner and CEO of Fahn Kanne Advisors, who holds a Master of Business Administration (MBA) as well as a Bachelor of Economics and Accounting, both from the Tel Aviv University, and by CPA Roman Falk, a partner in Fahn Kanne Advisors, who holds a Master of Economics and a Bachelor (with honours) of Economics and Accounting, both from Tel Aviv University. The Company executed an undertaking to indemnify the valuator/appraiser. The valuators are not in any way dependent on the Company.
The assessment model used by the valuator:	Discounted cash flow (DCF) method.
Assumptions used by the valuator in the valuation:	The nominal discount rate after tax is 12%. Permanent growth rate – 2.6%. For additional details, see the valuation attached to the periodic report.

In the context of the current impairment testing as at 31 December 2024, the recoverable amount for Global Retail was assessed using the income approach in which the DCF method was applied. In the context of the impairment review, as at 31 December 2023, the recoverable amount of Global Retail was assessed based on the terms of the investment that was the subject of the memorandum of understanding and the investment agreement that were executed with the investor near the valuation date as at 31 December 2023. The recoverable amount assessments in the previous studies (for 2021-2022) were made according to the income approach, in which the DCF method was applied.

The change in the valuation method in relation to the prior 2023 study stems from the fact that there was an investment transaction in Global Retail shares near the valuation date as at 31 December 2023, from which the total equity value of Global Retail can be derived, and thus, the recoverable amount of the cash-generating unit. (For additional details, see Note 16a to the consolidated financial statements.)

14. Disclosure regarding the auditors' fees

The Company's and the substantial consolidated companies' auditors in 2024 and 2023 are Kost Forer Gabbay and Kasierer, Certified Public Accountants.

ECP Group 2024 Fees – The Company and Wholly Owned Investee Companies - In NIS Millions (*)	
Audit, tax, and ancillary services	Other services
3.5	0.8

ECP Group 2024 Fees – The Company and Partially Owned Investee Companies - In NIS Millions (**)	
Audit, tax, and ancillary services	Other services
4	1.2

ECP Group 2023 Fees – The Company and Wholly Owned Investee Companies - In NIS Millions	
Audit, tax, and ancillary services	Other services
3.6	0.9

ECP Group 2023 Fees – The Company and Partially Owned Investee Companies - In NIS Millions	
Audit, tax, and ancillary services	Other services
3	2.1

(*) Does not include the sum of NIS 1.7 million in respect of discontinued operations and reorganisation expenses.

(**) Does not include the sum of NIS 1.98 million in respect of a draft prospectus for issuance and related services, and services in connection with discontinued operations.

Members of the audit committee reviewed the auditors’ fees and were persuaded that the scope of the work hours that were required by the auditors was acceptable and their fees constituted fair remuneration for the scope of the work. Upon the recommendation of the audit committee, the Company's board of directors approved the auditors’ fees. The Company's board of directors accepted the audit committee's recommendations and approved the auditors’ fees for 2024.

15. Financial benchmarks

The following table sets forth the various criteria that the Company undertook with respect to bondholders the calculation of whose results is accurate as at 31 December 2024:

Security	Balance of the par value of the security in circulation (in NIS millions)		Financial benchmark	Actual benchmark as at 31.12.2024
	as at 31 December 2024	immediately prior to reporting date		
(Series A) Bonds/Debentures	492	492	Tangible equity – the Company's "solo" tangible equity at the end of the review period (as defined in the deed) shall not be less than NIS 350 million.	NIS 649 million
			Ratio of net financial debt to net balance sheet – The ratio of the net financial debt to the net balance sheet at the end of the review period (as defined in the deed), based on the consolidated statements, shall not exceed 67%.	11.19%

16. Below are the details about the (Series A) bonds/debentures (in NIS millions)

16.1. The following table includes a summary of data about the Company's bonds in circulation as of the reporting date

Bonds (Series A)(1)		
Disclosure item		Details about the bonds (Series A)
1.	Issuance date	7 February 2022, pursuant to a shelf-offering report;(2) 17 August and 20 December 2022, in the framework of private offerings to classified investors(3) 21 January 2024, pursuant to a shelf-offering report;(3)
2.	Total par value on the date of issue(2) Total par value on the dates that the series was expanded(3)	NIS 250 million par value NIS 100 million par value; NIS 78.125 million par value; NIS 199.431 million par value
3.	Par value balance as at 31 December 2024	NIS 492 million par value
4.	Par value balance on the reporting date	NIS 492 million par value
5.	The par value balance on the reporting date, revalued according to linkage terms	The series is not linked.
6.	Amount of interest accrued on the books as at 31 December 2024	- (4)
7.	The value of the bonds' balance as included in the Company's financial statements as at 31 December 2024	NIS 392 million
8.	Stock market value as at 20 March 2025	NIS 455.2 million
9.	Type of interest	Fixed interest at a rate of 2.1%. Note that the trust deed for the (Series A) bonds dated 2 February 2022 (the "**Trust Deed**") establishes a number of adjustment mechanisms for changing the annual interest rate for the (Series A) bonds due to failure to meet minimal tangible equity, due to failure to meet the net financial debt to EBITDA ratio, or due to a change in the (Series A) bond rating. According to the above (cumulative) adjustment mechanisms, the total amount of interest supplements shall not exceed 1.25% (other than in the event of an entitlement to interest on arrears). For details, see Sections 5.21, 5.22, and 5.23 to the Trust Deed.
10.	Dates for payment of principal	The (Series A) bonds were and/or are payable (as applicable) in seven (7) unequal annual instalments as follows: four (4) payments at a rate of 12.5% each on 31 December of each of the years 2023 through 2026 (inclusive), two (2) payments at a rate of 15% each on 31 December of each of the years 2027 and 2028 (inclusive), and an additional payment of 20% on 31 December 2029. The first instalment of the principal was paid on 31 December 2023, and the final instalment of the principal will be paid on 31 December 2029.
11.	Interest payment dates	The interest for the (Series A) bonds will be paid (or was paid, as applicable) in equal amounts semi-annually on 30 June and 31 December in each of the years 2022 through 2029 (inclusive) such that the first interest payment was on 30 June 2022 and the last interest payment will be on 31 December 2029 (together with the final payment of the principal).
12.	Principal and interest linkage basis	The (Series A) bonds are not linked (principal or interest) to any linkage basis.
13.	Are the bonds convertible?	No
14.	Early repayment or forced conversion of bonds	The Company shall be entitled, at its initiative, to call the (Series A) bonds due for early repayment, all according to the provisions of Section 7.2 to the Trust Deed.

Bonds (Series A)(1)		
Disclosure item		**Details about the bonds (Series A)**
15.	Guarantee for payment of the Company's obligations pursuant to the Trust Deed	None
16.	Commitment not to create security interests	The Company "solo" has undertaken not to create a current security interest on any of its assets, property, or interests now or in the future, as they shall be from time to time, in favour of any third party to guarantee its debts to it, in an amount exceeding NIS 650 million.
17.	Fulfilment of the terms and obligations pursuant to the Trust Deed	As of the report date, the Company has been meeting all of its above described financial terms and obligations. Additionally, as of the report date, to the best of the Company's knowledge, the Company has not breached its obligations as established in the (Series A) bonds' Trust Deed, and no conditions have occurred that establish cause for calling the above bonds due for immediate repayment.
18.	Is the Company required by the trustee to perform various actions, including calling meetings of bondholders?	No
19.	Details of guarantees/liens	None
Details about the trustee for the holders of (Series A) bonds		
1.	Trustee name	Mishmeret Trust Company Ltd.
2.	Bond Administrator	Mr. Rami Sabati, CPA
3.	Contact information	48 Menachem Begin Blvd., Tel Aviv, Telephone: 03-6374351, Fax: 03-6374344, email address: RamiS@mtrust.co.il
Details about the (Series A) bond rating		
1.	Name of rating company as of the report date	Standard & Poor's Maalot Ltd. ("**Maalot**")
2.	Rating determined on the date of issue	'ilAA-' (January and February 2022)
3.	Rating on the report publication date	'ilAA-' (August 2024)(5)
4.	Additional ratings between the date of issue and the report date	'ilAA-' (August, September, and December 2022, August 2023, and January 2024)

(1) As of the report date, pursuant to the provisions of Section 10(B)(13)(a) to the Report Regulations, the Company views the (Series A) bonds as a substantive series.

(2) On 3 February 2022, the Company published a shelf-offering report (reference number: 2022-01-013488), in which the Company made an initial public offering of NIS 250 million par value of the Company's (Series A) bonds.

(3) On 17 August and 20 December 2022, the Company made a private offering to classified investors in the sum of NIS 100 million par value and NIS 78.125 million par value, respectively, of (Series A) Company bonds by way of expanding a series (reference numbers: 2022-01-084156 and 2022-01-120543, respectively). On 17 January 2024, the Company published a shelf-offering report (reference number: 2024-01-006388), in which the Company issued NIS 199.431 million par value of the Company's (Series A) bonds by way of a series expansion.

(4) As at 31 December 2024, the full balance of accrued interest has been paid. The amount accrued in interest as at 23 March 2025 is NIS 2.35 million.

(5) See the Company's immediate report dated 12 August 2024 (reference number: 2024-01-081474), which is included in this report by way of reference, for details about the updated ratings report for the (Series A) bonds as of the date of the publication of this report.

16.2. Working capital shortfall

In light of the issuance of the Company's (Series A) bonds as described above, the Company is required, pursuant to Article 10(B)(14) to the Report Regulations, to ascertain, from time to time, whether there are indications of a liquidity problem at the Company.

As at 31 December 2024, the Company listed in its consolidated financial statements, negative working capital (net) (current assets less current liabilities) of NIS 1,037 million and a negative operating capital (net) - which characterises retail operations such as the Company's - of NIS 250 million. Similarly, as at that date, according to the Company's solo financial data, the Company has a positive working capital (net) (current assets less current liabilities) of NIS 27 million and a negative operating capital (net) of NIS 1 million.

Net of the Global Retail Group's operations, the Company has positive working capital (net) (current assets less current liabilities) in the sum of NIS 39 million, and positive operating working capital (net) in the sum of NIS 314 million.

The Company's board of directors conducted a review as to whether the above factual situation indicates a liquidity problem, in the framework of which it reviewed the Company's sources for repaying its existing and expected liabilities based on the forecasted cash flow that was presented to the board. Accordingly, the board of directors determined that the shortfall in working capital and the shortfall in operating working capital do not indicate a liquidity problem at the Company and therefore, there is no warning sign at the Company as that term is defined in Article 10(B)(14) to the Report Regulations.

17. Linkage-bases report as at 31 December 2024 (in NIS millions):

	Dollars	Euro	Total foreign currency	Unlinked	Linked	Non-monetary	Total
Assets							
Cash and cash equivalents	30	27	57	236	-	-	293
Short-term deposits and investments	-	-	-	276	-	-	276
Trade receivables	2	29	31	681	-	-	712
Other receivables	7	7	14	55	5	14	88
Inventory	-	-	-	-	-	976	976
Long-term trade and other receivables	-	-	-	30	2	-	32
Investment property	-	-	-	-	-	328	328
Investment property under construction	-	-	-	-	-	51	51
Property, plant, and equipment, net	-	-	-	-	-	781	781
Right-of-use assets, land	-	-	-	-	-	63	63
Right-of-use assets, other	-	-	-	-	-	2,309	2,309
Goodwill	-	-	-	-	-	1,935	1,935
Intangible assets	-	-	-	-	-	132	132
Deferred taxes	-	-	-	-	-	28	28
Total assets	39	63	102	1,278	7	6,617	8,004
Liabilities							
Credit from banks and others	-	-	-	445	-	-	445
Current maturities of bonds	-	-	-	74	-	-	74
Current maturities of lease liabilities	-	-	-	-	225	-	225
Trade payables	169	39	208	1,730	-	-	1,938
Other payables	-	15	15	349	19	317	700
Loans from banks and others	-	-	-	490	-	-	490
Bonds/Debentures	-	-	-	392	-	-	392
Lease liabilities	-	-	-	-	2,418	-	2,418
Other non-current liabilities	-	5	5	62	-	149	216
Employee benefit liabilities, net	-	-	-	-	-	34	34
Deferred taxes	-	-	-	-	-	39	39
Total liabilities	169	59	228	3,542	2,662	539	6,971
Balance of the exposure of assets (liabilities) to results	(130)	4	(126)	(2,264)	(2,655)	6,078	1,033

Daniel Salkind, Chairman of the Board of Directors

Zvika Schwimmer, Chief Executive Officer

Date: 23 March 2025

Consolidated Statements of Financial Position

	Note	As at 31 December 2024	As at 31 December 2023
		in NIS millions	
Current assets			
Cash and cash equivalents	6	293	376
Short-term deposits and investments	7	276	105
Trade receivables	8	712	648
Other receivables	9	88	88
Inventory	10	976	969
		2,345	2,186
Non-current assets			
Long-term other receivables		32	11
Investment in companies treated at equity	11c	-	12
Investment property	12	328	328
Investment property under construction	13	51	53
Property, plant, and equipment, net	14	781	649
Right-of-use assets, land	15a	63	64
Right-of-use assets, other	15b	2,309	1,626
Goodwill	16	1,935	1,935
Intangible assets	16	132	116
Deferred taxes	25e	28	29
		5,659	4,823
		8,004	7,009

Consolidated Statements of Financial Position

	Note	As at 31 December 2024	2023
		in NIS millions	
Current liabilities			
Credit from banks and others	17	445	(* 359
Current maturities of bonds	21	74	50
Current maturities of lease liabilities	15b	225	242
Trade payables	18	1,938	1,807
Other payables	19	700	(** 671
		3,382	3,129
Non-current liabilities			
Loans from banks and others	20	490	(* 638
Bonds/Debentures	21	392	311
Lease liabilities	15b	2,418	1,677
Other liabilities	22	216	(** 179
Employee benefit liabilities, net	24	34	(** 30
Deferred taxes	25e	39	43
		3,589	2,878
Equity			
Equity attributed to Company shareholders		650	632
Noncontrolling interests		383	370
Total equity		1,033	1,002
		8,004	7,009

*) Reclassified.
**) Reclassified.

23 March 2025			
Date of approval of the financial statements	Daniel Salkind Chair of the Board of Directors	Zvika Schwimmer Chief Executive Officer	Liat Shoham Chief Financial Officer

Consolidated Statements of Profit and Loss

	Note	2024	2023 *)	2022 *)
		For the year ended at 31 December		
		in NIS millions		
Revenues from sales and provision of services	28a	7,406	6,488	6,180
Cost of sales and provision of services	28b	(5,235)	(4,658)	(4,358)
Gross profit		2,171	1,830	1,822
Selling and marketing expenses	28c	(1,740)	(1,604)	(1,463)
Administrative and general expenses	28d	(103)	(94)	(101)
Research and development expenses	28e	(10)	(8)	(5)
Group's share in losses of companies treated at equity, net		(1)	(1)	-
Operating income before other income (expenses), net, and reorganisation expenses		317	123	253
Other income (expenses), net	28f	14	(58)	16
Reorganisation expenses	28g	(1)	(10)	(52)
Operating income after other income (expenses) and reorganisation expenses		330	55	217
Financing income	28h	21	11	3
Financing expenses	28h	(260)	(220)	(130)
Profit (loss) before taxes on income		91	(154)	90
Taxes on income	25f	(31)	(11)	(28)
Net income (loss) from continuing operations		60	(165)	62
Loss from discontinued operations	29	(26)	(117)	(18)
Net income (loss)		34	(282)	44
Net income (loss) attributable to:				
Company shareholders		52	(101)	103
Noncontrolling interests		(18)	(181)	(59)
		34	(282)	44
Base net earnings (loss) per share attributed to Company shareholders (in NIS)				
Profit (loss) from continuing operations		3.34	(0.77)	5.14
Loss from discontinued operations, net		(1.09)	(3.91)	(0.40)
Net income (loss)		2.25	(4.68)	4.74
Diluted net earnings (loss) per share attributed to Company shareholders (in NIS)				
Profit (loss) from continuing operations		3.33	(0.77)	5.04
Loss from discontinued operations, net		(1.09)	(3.91)	(0.39)
Net income (loss)		2.24	(4.68)	4.65
Weighted number of shares used in calculating base net income (loss) per share		23,156	21,632	21,734
Weighted number of shares used in calculating diluted net earnings (loss) per share		23,305	21,632	22,137

*) Reclassified with respect to discontinued operations; see Note 29.

The accompanying notes constitute an integral part of the consolidated financial statements.

Consolidated Statements of Comprehensive Income

	For the year ended at 31 December		
	2024	2023	2022
	in NIS millions		
Net income (loss)	34	(282)	44
Other comprehensive income (loss) (after tax):			
Sums that will not later be reclassified to profit or loss:			
Profit (loss) from remeasurement for defined benefit plans	(2)	(1)	2
Amounts that will be classified or are reclassified to profit or loss upon specific conditions being met:			
Transfer to Statement of Profit and Loss with respect to cash flow hedging transactions	-	4	-
Profit (loss) with respect to cash flow hedging transactions	2	(7)	1
Total other comprehensive income (loss)	-	(4)	3
Total comprehensive profit (loss)	34	(286)	47
Comprehensive profit (loss) attributable to:			
Company shareholders	53	(106)	108
Noncontrolling interests	(19)	(180)	(61)
	34	(286)	47

Consolidated Statements of Changes in Equity

	Attributed to Company shareholders											
	Equity shares	Share premium	Treasury shares	Capital reserve with respect to transactions with controlling shareholders	Capital reserve with respect to transactions with holders of noncontrolling interests	Capital reserve with respect to share-based payments	Capital reserve with respect to remeasurement of defined benefit plans	Capital reserve for hedging transactions	Retained earnings	Total	Noncontrolling interests	Total equity
	in NIS millions											
Balance as at 1 January 2024	75	554	(132)	4	(35)	12	(3)	(2)	159	632	370	1,002
Total comprehensive income (loss)	-	-	-	-	-	-	(1)	2	52	53	(19)	34
Cost of share-based payments	-	-	-	-	-	2	-	-	-	2	1	3
Buyback of Company shares	-	-	(18)	-	-	-	-	-	-	(18)	-	(18)
Exercise of options	(*	5	-	-	-	(5)	-	-	-	-	-	-
Transaction with holders of Noncontrolling interests	-	-	-	-	(19)	-	-	-	-	(19)	43	24
Dividends paid to Noncontrolling interests	-	-	-	-	-	-	-	-	-	-	(12)	(12)
Balance as at 31 December 2024	75	559	(150)	4	(54)	9	(4)	-	211	650	383	1,033

*) Amount less than NIS 1 million.

Consolidated Statements of Changes in Equity

	Attributed to Company shareholders											
	Equity shares	Share premium	Treasury shares	Capital reserve with respect to transactions with controlling shareholders	Capital reserve with respect to transactions with holders of Noncontrolling interests	Capital reserve with respect to share-based payments	Capital reserve with respect to remeasurement of defined benefit plans	Capital reserve for hedging transactions	Retained earnings	Total	Noncontrolling interests	Total equity
	in NIS millions											
Balance as at 1 January 2023	73	430	(111)	4	(29)	10	(2)	2	295	672	552	1,224
Total comprehensive loss	-	-	-	-	-	-	(1)	(4)	(101)	(106)	(180)	(286)
Issue of share capital	2	122	-	-	-	-	-	-	-	124	-	124
Equity issue to holders of Noncontrolling interests in a consolidated company	-	-	-	-	-	-	-	-	-	-	41	41
Cost of share-based payments	-	-	-	-	-	4	-	-	-	4	-	4
Buyback of Company shares	-	-	(21)	-	-	-	-	-	-	(21)	-	(21)
Exercise of options	(*	2	-	-	-	(2)	-	-	-	-	-	-
Transaction with holders of Noncontrolling interests	-	-	-	-	(6)	-	-	-	-	(6)	(44)	(50)
Noncontrolling interests created in a company consolidated for the first time	-	-	-	-	-	-	-	-	-	-	3	3
Deconsolidation of consolidated partnership	-	-	-	-	-	-	-	-	-	-	3	3
Investment in consolidated partnership equity by Noncontrolling interests	-	-	-	-	-	-	-	-	-	-	2	2
Dividends paid to Company shareholders	-	-	-	-	-	-	-	-	(35)	(35)	-	(35)
Dividends paid to Noncontrolling interests	-	-	-	-	-	-	-	-	-	-	(7)	(7)
Balance as at 31 December 2023	75	554	(132)	4	(35)	12	(3)	(2)	159	632	370	1,002

*) Amount less than NIS 1 million.

Consolidated Statements of Changes in Equity

	Attributed to Company shareholders											
	Equity shares	Share premium	Treasury shares	Capital reserve with respect to transactions with controlling shareholders	Capital reserve with respect to transactions with holders of Noncontrolling interests	Capital reserve with respect to share-based payments	Capital reserve with respect to remeasurement of defined benefit plans	Capital reserve for hedging transactions	Retained earnings	Total	Noncontrolling interests	Total equity
	in NIS millions											
Balance as at 1 January 2022	73	430	(66)	4	(3)	5	(5)	-	252	690	536	1,226
Total comprehensive income (loss)	-	-	-	-	-	-	3	2	103	108	(61)	47
Cost of share-based payments	-	-	-	-	-	5	-	-	-	5	2	7
Buyback of Company shares	-	-	(45)	-	-	-	-	-	-	(45)	-	(45)
Transaction with holders of Noncontrolling interests	-	-	-	-	(26)	-	-	-	-	(26)	36	10
Noncontrolling interests created in a partnership consolidated for the first time	-	-	-	-	-	-	-	-	-	-	24	24
Equity issue to holders of Noncontrolling interests in a consolidated company	-	-	-	-	-	-	-	-	-	-	17	17
Dividends paid to Company shareholders	-	-	-	-	-	-	-	-	(60)	(60)	-	(60)
Dividends paid to Noncontrolling interests	-	-	-	-	-	-	-	-	-	-	(2)	(2)
Balance as at 31 December 2022	73	430	(111)	4	(29)	10	(2)	2	295	672	552	1,224

	For the year ended at 31 December		
	2024	2023	2022
	in NIS millions		
Cash Flows from Current Operations			
Net income (loss)	34	(282)	44
Adjustments required for presenting cash flows from current operations:			
Adjustments to profit and loss items:			
Depreciation and amortisation	386	357	296
Impairment of intangible assets and goodwill	-	98	-
Improvement of investment property	-	-	(31)
Impairment of investment property under construction	4	8	3
Cost of share-based payment	3	4	7
Capital gain from sale of consolidated partnership credit portfolio	-	(34)	-
Capital loss from disposal of property, plant, and equipment	4	1	5
Capital gain from disposal of an investee	(2)	-	-
Capital gain from decrease in control of previously consolidated partnership	-	(4)	-
Loss from impairment of investment in an investee	9	-	-
Company's share in losses of companies treated according to balance sheet value, net	1	1	-
Deferred taxes, net	(3)	(7)	6
Change in employee benefit liabilities, net	(2)	(1)	(2)
Change in provision for impairment of property, plant, and equipment and right-of-use assets	1	26	38
Other adjustments	(6)	-	(6)
	395	449	316
Changes in assets and liabilities items:			
Decrease (increase) in trade receivables (including long-term receivables)	(77)	67	(34)
Decrease (increase) in other receivables	(7)	16	(40)
Decrease (increase) in inventory	(4)	(176)	74
Increase (decrease) in trade payables	120	216	(16)
Increase (decrease) in other payables	98	7	(14)
	130	130	(30)
Net cash from current operations	559	297	330

	For the year ended at 31 December		
	2024	2023	2022
	in NIS millions		
Cash flow from investment activities			
Acquisition of property, plant, and equipment	(222)	(472)	(177)
Purchase of intangible assets	(5)	(11) *)	(12)
Payment of capitalised leasing fees and land levies	-	-	(9)
Capitalisation of costs recognised in investment property and investment property under construction	(2)	(3)	(4)
Proceeds from sale of consolidated partnership credit portfolio	-	35	-
Proceeds from (investment in) short-term deposits, net	(150)	(99)	-
Proceeds from (investment in) marketable securities, net	(16)	1	3
Deferred proceeds from disposal of investment in previously consolidated company	-	-	5
Proceeds from disposal of property, plant, and equipment	10	3	1
Repayment of previously consolidated company loans	-	-	3
Acquisition of investment property under construction	-	-	(28)
Deferred payment for acquired operations	(48)	-	-
Other investments, net	(16)	-	(8)
Cash released from escrow in the acquisition of a subsidiary	-	5	5
Net payment for consolidated operations	-	-	(50)
Acquisition of companies consolidated for the first time (A)	-	-	(11)
Net proceeds from disposal of investment in previously consolidated companies (B)	-	(1)	-
Net cash used in investment activities	(449)	(542)	(282)
Cash used in discontinued investment operations	-	-	(88)
Cash flows from financing operations			
Net proceeds from issuance of share capital	-	124	-
Dividends paid to Company shareholders	-	(35)	(60)
Dividends paid to Noncontrolling interests	(12)	(9)	(2)
Repayment of bonds/debentures	(82)	(54)	-
Issuance of bonds/debentures less cost of issuance	178	-	410
Receipt of long-term loans from banks and others	30	248	190
Repayment of long-term loans from banks and others	(141)	(59)	(205)
Buyback of Company shares	(18)	(21)	(45)
Equity issuance in consolidated companies to Noncontrolling interests	78	41	17
Investment in consolidated partnership equity by Noncontrolling interests	-	2	-
Payment for Carrefour franchise	(44)	(* (4)	-
Buyback of shares from holder of Noncontrolling interests	(18)	(20)	-
Payment of lease liabilities	(226)	(211)	(190)
Short-term bank credit, net	62	56	144
Net cash from (used for) financing activity	(193)	58	259
Increase (decrease) in cash and cash equivalents	(83)	(187)	219
Balance of cash and cash equivalents at beginning of year	376	563	344
Balance of cash and cash equivalents at end of year	293	376	563

*) Reclassified.

		For the year ended at 31 December		
		2024	2023	2022
		in NIS millions		
(A)	Acquisition of companies consolidated for the first time			
	Assets and liabilities as at purchase date:			
	Working capital (other than cash and cash equivalents), net	-	46	9
	Property, plant, and equipment	-	(6)	(4)
	Right-of-use assets	-	15	(2)
	Intangible assets	-	-	(23)
	Goodwill	-	(63)	(55)
	Deferred tax liabilities, net	-	-	2
	Loans from banks and others and bank credit	-	-	13
	Lease liabilities	-	-	2
	Other non-current liabilities	-	5	13
	Capital reserve from a transaction with Noncontrolling interests	-	-	4
	Noncontrolling interests	-	3	30
		-	-	(11)
(B)	Proceeds from disposal of investment in previously consolidated companies and partnerships			
	Consolidated company's assets and liabilities as at date of sale:			
	Working capital (other than cash and cash equivalents), net	-	2	-
	Goodwill	-	10	-
	Investments in the Company accounted for at equity	-	(13)	-
	Other non-current liabilities	-	(7)	-
	Noncontrolling interests	-	3	-
	Capital gain from decrease in control of previously consolidated partnership	-	4	-
		-	(1)	-
(C)	Significant non-cash activities			
	Acquisition of property, plant, and equipment and intangible assets using credit	50	36	62
	Increase in right-of-use asset against lease liabilities	1,040	306	374
	Short-term payables for buyback of shares from Noncontrolling interests by a consolidated company	-	30	-
	Proceeds from non-cash sale of a branch	5	-	-
	Noncontrolling interests deriving from a business combination in a second-tier subsidiary	-	3	-
	Transaction with holders of Noncontrolling interests	53	-	-
	Deferred proceeds in respect of a business consolidation	-	54	-
(D)	Additional information on cash flows			
	Cash paid over the course of the year for:			
	Interest	252	191	126
	Taxes on income	44	50	68
	Taxes paid on the sale of discontinued operations	-	-	88
	Cash received over the course of the year for:			
	Interest	12	13	3
	Taxes on income	3	16	10

ELECTRA