



Financial Statements as of 31 March 2025

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 March 2025 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

₪ **1.02B**

Total company equity

ilAA-

S&P Rating

138K

Credit card Carrefour Club holders

₪ **190M**

EBITDA in the reporting period

7K

Number of employees

8B

Total company balance sheet

₪ **1.8B**

Revenues in the reporting period

860M

Financial debt (net of IFRS 16)

336

Branches

40M

Dividend declared and paid

Sports and Leisure Segment

98

Number of branches

Columbia

branches 25



branches 37

Outsiders

branches 13

שביליץ

branches 16

BOARDERLINE

branches 3

RIPCURL

branches 4

sq.m **30K**

Commercial space

10%

Percent change in same stores in the reporting period



146

Number of branches



2

branches



144

branches

sq.m **172K**

Commercial space

1.9%

Percent change in same stores in the reporting period



92

Number of branches

מחסני חשמל

branches 69

DUTY FREE אלקטרוניקה

branches 2

אלקטרוניקה

branches 21

sq.m **53K**

Commercial space

-1.2%

Percent change in same stores in the reporting period



*Stores data (number and area) as of report approval date

Electra Consumer Products (1970) Ltd.

Board of Directors Report

For the three months ended at 31 March 2025

The board of directors of Electra Consumer Products (1970) Ltd. respectfully submits the Board of Directors Report on the Company's and its consolidated companies' business affairs (hereinafter: the "**Group**") for the three-month period ended at 31 March 2025 (hereinafter: the "**reporting period**"). The review, which is presented below, is of a limited scope and relates to events and changes that occurred in the Company's affairs during the reporting period, and it should be examined together with the periodic report for the year ended at 31 December 2024 (the "**Company's 2024 Periodic Report**").

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, 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. Group, a retail marketing chain for food products and other consumables, that operates under Carrefour brands (hereinafter: "**Carrefour**").

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, and leisure, through Sa'ar A.T. Enterprises & Trading Ltd (hereinafter: "**Sa'ar**") 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.

2. Operating results:

2.1 Summary of business results for the reporting period (in NIS millions):

Item	1-3/2025 NIS millions	1-3/2024 NIS millions *)	The Board's Explanations
Revenues from sales and provision of services	1,756	1,710	The Company's revenues increased by 2.7% compared with the corresponding quarter of the previous year. The increase in revenues derived from growth in revenues in the electrical retail segment, the food segment, and growth in sales in the sports and leisure segment, which was partially offset by a decrease in sales in the electrical consumer products segment. See the note on segments.
Gross profit	540	506	Most of the increase in gross profit was due to growth in the gross profit in the food segment, the electrical retail segment, and the sports and leisure segment, primarily as a result of the increase in revenue turnover as noted above, and streamlining expenses, mainly in the food segment.
Gross profit %	30.7%	29.6%	The increase was due to an improvement in gross profit margins across all operating segments.
Selling and marketing expenses	(417)	(414)	The increase primarily derived from an increase in the retail electrical retail 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 streamlining.
Administrative and general expenses	(29)	(25)	The increase in general and administrative expenses was primarily due to additional expenses in connection with the organisational change announced by the Company in the previous quarter.
Research and development expenses	-	(1)	No significant change.
Group's share in losses of companies treated according to the equity method, net	-	(1)	No significant change.
* profit before other income (expenses) and reorganisation	94	65	
Operating profit % before other income (expenses) and reorganisation	5.3%	3.8%	
Other income (expenses), net	41	(7)	See section 3.2 below for details.
Reorganisation revenues	-	6	Last year's reorganisation income was derived from the food segment.
Operating profit	135	64	
Operating profit %	7.7%	3.7%	
Finance expenses, net	(62)	(50)	The increase was primarily due to higher finance expenses under IFRS 16, as a result of the extension of lease agreements in the food segment at the end of the corresponding quarter of the previous year, and from an increase in exchange rate differences expenses, partially offset by a decrease in interest expenses due to the early repayment of long-term loans.
Profit before taxes on income	73	14	
Taxes on income	(14)	(11)	The increase in tax expenses primarily derived from an increase in profit before tax.

Item	1-3/2025 NIS millions	1-3/2024 NIS millions *)	The Board's Explanations
Net income from continuing operations	59	3	
Discontinued operations	(34)	-	Was mainly attributable to discontinued operations resulting from the downsizing of heat pump production lines. See Note 5B to the interim consolidated financial statements for additional details.
Net income	25	3	
Net income %	1.4%	0.2%	
Net income attributed to Company shareholders	21	19	
Net income from ongoing operations attributed to Company shareholders	55	19	
EBITDA	190	158	
EBITDA net of effects of IFRS 16	97	72	

*) Reclassified with respect to discontinued operations; see Note 5 to the interim consolidated financial statements.

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

	Q1	
	2025	2024
	NIS millions	
Increase in (impairment of) investment property	30	(1)
Capital gain from the sale of stores	7	-
Transaction costs and consulting expenses for previous years	-	(5)
Expenses in respect of lawsuits	(1)	(1)
Gain on disposal of property, plant, and equipment	-	1
Other	5	(1)
Total	41	(7)

3. Report on Business Segments

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

For the three months ended at 31 March 2025	Electrical consumer products segment	Electrical retail segment	Retail food segment	Sports and leisure segment	Investment property segment	Adjustments and other	Total
NIS millions							
Total income	246	604	799	134	3	(30)	1,756
Segmental income	25	27	42	18	33	1	146
% of revenues	10%	4.4%	5.3%	13.1%	-	-	8.3%
Unallocated shared expenses							(11)
Operating profit							135
EBITDA	31	41	93	32	3	(10)	190
EBITDA net of IFRS 16	29	29	31	17	3	(12)	97

For the three months ended at 31 March 2024	Electrical consumer products segment *)	Electrical retail segment	Retail food segment *)	Sports and leisure segment	Investment property segment	Adjustments and other	Total
NIS millions							
Total income	258	570	790	124	3	(35)	1,710
Segmental income	24	30	3	13	2	1	73
% of revenues	9.2%	5.2%	0.4%	10.7%	-	-	4.3%
Unallocated shared expenses							(9)
Operating profit							64
EBITDA	29	42	64	28	3	(8)	158
EBITDA net of IFRS 16	28	32	6	13	3	(10)	72

*) Reclassified with respect to discontinued operations; see Note 5 to the interim consolidated financial statements.

3.2 Explanation of the data that appears in the table

3.2.1 Electrical retail

Sales turnover amounted to NIS 604 million in the reporting period, as compared with NIS 570 million in the corresponding period of the previous year, which constitutes an increase of 6%.

The increase in sales in stores was mainly due to the growth in the fourth quarter new store sales, an increase in online sales, and an increase in Shekem Duty store sales compared to the corresponding period of the previous year.

The sales in the same stores in the segment that fully operated in the reporting period decreased in comparison to the parallel period of the previous year by approximately 1.2%.

Monthly average sales per square metre in the same stores amounted to NIS 5,324 per square metre, as compared with NIS 5,440 per square metre in the corresponding period of the previous year.

Segmental income amounted to NIS 27 million in the reporting period, reflecting 4.4% of turnover, as compared with NIS 30 million, reflecting 5.2% of turnover, in the corresponding period of the previous year. The decrease in segmental income was mainly due to a decline in same store sales and an increase in labour, rental, and branch maintenance expenses, resulting from the opening of new stores.

Electrical Retail - in NIS millions		31.3.2025	31.3.2024	31.12.2024
General data				
Number of franchise stores		1	2	1
Number of directly operated stores		90 ¹	80	86
Commercial space, gross (m ²)		53,226	46,188	51,228
Commercial space, net (m ²)		35,800	31,162	34,172
Human capital	Stores	1,029	890	1,061
	Other	130	156	129
Results of operations				
Revenues	Directly operated	604	570	2,550
Cost of sale	Variable costs	456	433	1,963
Rent (according to gross commercial space as indicated above)	After applying IFRS 16 (*)	9	7	33
	Without application of IFRS 16	20	18	78
Total salary costs attributed to retail operations employees (including contract worker expenses)		58	52	225
Depreciation expenses after application of IFRS 16		15	13	54
Segmental income		27	30	113
Operational working capital (shortfall) (**)		(224)	(343)	(260)
Redemption and sales data				
Revenues per m ² - monthly average in NIS thousands		5.3	5.4 (***)	5.9
Percent change in revenues from same stores (%) (****)		(1.2%)	19.3%	22.5%

¹As of the reporting date, the electrical retail has 92 stores.

- (*) Including variable rent costs and not including depreciation and financing expenses.
(**) Inventory balance and trade receivable balance, less trade payables balance.
(***) Reclassified.
(****) For an explanation of the change percentage in revenues from same stores, see section 3.2.1 of this report.

Change	For the quarter ending		
	31.3.2025	31.3.2024	31.12.2024
Group growth			
Percent change in net commercial/sales floor space	15%	(*) 5%	11.5%
Percent change in same store sales (**)	(1.2%)	19.3%	22.5%

- (*) Reclassified.
(**) For an explanation of the change percentage in revenues from same stores, see section 3.2.1 of this report.

3.2.2 Retail food

Sales turnover amounted to NIS 799 million in the reporting period, as compared with NIS 790 million in the parallel period of the previous year, an increase of 1.1%.

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 1.9% as compared to the corresponding period of the previous year.

Average sales per square metre in the reporting period amounted to NIS 29,364, as compared with average of NIS 28,468 per square metre in the corresponding period of the previous year, an increase of 3.15%.

Segmental income amounted to NIS 42 million in the reporting period, reflecting 5.3% of revenue turnover, as compared with segmental income of NIS 3 million, reflecting 0.4% of revenue turnover, in the corresponding period of the previous year. The improvement in segmental income compared to the corresponding period of the previous year derived primarily from increased sales in stores that had been converted to the Carrefour brand, the disposal of 3 stores, and as a result of streamlining segmental expenses.

In the current quarter, the Company completed the conversion program and as of today, 144 stores are operating under the Carrefour brand.

Further to the previous quarter, in Q1 2025, the retail food segment presents positive EBITDA net of IFRS 16 in the sum of NIS 31 million, compared with a positive EBITDA net of IFRS 16 in the sum of NIS 6 million in the corresponding quarter of the previous year.

In the first quarter of 2025, Global Retail Group (retail food segment, excluding excess cost adjustments and segmental adjustments) **reported operating profit of NIS 49 million and net income of NIS 5.2 million**, compared with operating profit of NIS 5.5 million and a loss of NIS 34 million in the corresponding period of the previous year, respectively. (At the retail food segment level, segmental income totalled NIS 42 million, as noted, and net income amounted to approximately NIS 0.5 million, compared with segmental profit of NIS 3 million, as noted, and a loss of NIS 37.8 million in the corresponding quarter of the previous year, respectively.)

Retail Food - in NIS millions		31.3.2025	31.3.2024	31.12.2024
General data				
Number of directly operated stores		145 ²	148	148
Commercial space, gross (m ²)		168,586	171,291	170,513
Commercial space, net (m ²)		111,458	113,024	122,033
Human capital	Stores	3,932	4,191	4,305
	Other	65	88	73
Results of operations				
Revenues	Directly operated	790	778	3,296
	Other income	10	12	41
Cost of sale	Variable costs	553	563	2,321
Rent (according to gross commercial space as indicated above)	After applying IFRS 16 (*)	3	4	14
	Without application of IFRS 16	61	61	248
Total salary costs attributed to retail operations employees (including contract worker expenses)		108	115	471
Depreciation expenses after application of IFRS 16		59	60	241
Operating profit (loss)		42	4	108
Operational working capital (shortfall) (**)		(486)	(411)	(515)
Redemption and sales data				
Annual income per square metre (in NIS)		29,364	28,468	29,466
Percent change in revenues from same stores (%) (***)		1.9%	26.84%	5.7%

(*) Including variable rent costs and not including depreciation and financing expenses.

(**) Inventory balance and trade receivable balance, less trade payables balance.

(***) For an explanation of the change percentage in revenues from same stores, see section 3.2.2 of this report.

Change	For the quarter ending		
	31.3.2025	31.3.2024	31.12.2024
Group growth			
Percent change in net commercial/sales floor space	(1.39%)	(0.69%)	(0.5%)
Percent change in same store sales (*)	1.9%	26.84%	5.7%

(*) For an explanation of the change percentage in revenues from same stores, see section 3.2.2 of this report.

² As of the reporting date, the Global Retail group has 146 stores.

3.2.3 Sports and leisure

Sales turnover amounted to NIS 134 million in the reporting period, as compared with NIS 124 million in the parallel period of the previous year, an increase of 8.3%. The increase in segment sales was due to an increase in revenues from Sa'ar amounting to NIS 7 million, primarily in the retail sector, from an increase in sales per square metre, and an increase in sales in same stores. Additionally, there was an increase in revenues from Adidas compared to the parallel period of the previous year, amounting to NIS 2 million.

The sales in the same stores in the segment that fully operated in the reporting period **increased by 10%** compared to the corresponding period of the previous year.

Monthly average sales per square metre in the same stores amounted during the reporting period to NIS 1,579 per square metre, as compared with NIS 1,423 per square metre in the corresponding period of the previous year.

Segmental income amounted to NIS 18 million in the reporting period, reflecting 13% of revenue turnover, as compared with segmental income of NIS 13 million, reflecting 11% of revenue turnover in the corresponding period of the previous year. The increase in segmental income primarily derived from an increase in same store sales.

Sports and Leisure - in NIS millions		31.3.2025	31.3.2024	31.12.2024
General data				
Number of directly operated stores		98	99	97
Commercial space, gross (m ²)		29,513	29,836	28,619
Commercial space, net (m ²)		23,222	23,199	22,221
Human capital	Stores	732	899	707
	Other	79	107	74
Results of operations				
Revenues	Directly operated	110	101	420
	Wholesale	24	23	90
Cost of sale	Variable costs	58	54	224
Rent (according to gross commercial space as indicated above)	After applying IFRS 16 (*)	6	6	25
	Without application of IFRS 16	20	21	85
Total salary costs attributed to retail operations employees (including contract worker expenses)		16	15	61
Depreciation expenses after application of IFRS 16		16	15	63
Segmental income		18	13	48
Operational working capital (**)		109	171	143
Redemption and sales data				
Revenues per m ² - monthly average in NIS thousands		1.6	1.4 (***)	1.4
Change in revenues from same store sales (%) (****)		10%	15% (***)	29%

(*) Including variable rent costs and not including depreciation and financing expenses.

(**) Inventory balance and trade receivable balance, less trade payables balance.

(***) Reclassified.

(****) For an explanation of the change percentage in revenues from same stores, see section 3.2.3 of this report.

Change	For the quarter ending		
	31.3.2025	31.3.2024	31.12.2024
Group growth			
Percent change in net commercial/sales floor space	0.1%	57.1% (*)	(5%)
Change in revenues from same store sales (%) (**)	10%	15% (*)	29%

(*) Reclassified.

(**) For an explanation of the change percentage in revenues from same stores, see section 3.2.3 of this report.

3.2.4 Electrical consumer products

Sales turnover amounted to NIS 246 million in the reporting period, as compared with NIS 258 million in the parallel period of the previous year, reflecting a decrease of 4.7%. The decrease in revenues was mainly due to a change in the sales mix in the local market in the air conditioning sector.

Segmental income amounted to NIS 25 million in the reporting period, as compared with segmental income of NIS 24 million in the corresponding period of the previous year.

In the reporting period, the operations of the Company's second-tier subsidiary in the heating systems manufacturing sector, which had been included in the electrical consumer products segment, were classified as discontinued operations. See Note 5B to the interim consolidated financial statements and section 7.3 below for additional details.

3.2.5 Investment property

Sales turnover amounted to NIS 3 in the reporting period and in the corresponding period of the previous year.

Segmental income amounted to NIS 33 million in the reporting period, as compared with segmental income of NIS 2 million in the corresponding period of the previous year and was attributable to the revaluation of investment property owned by the Company. See Note 4B to the interim consolidated financial statements and section 14 below for additional details.

4. 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)

	31 March 2025		31 March 2024		31 December 2024	
	As reported	Net of the effect of IFRS 16	As reported	Net of the effect of IFRS 16	As reported	Net of the effect of IFRS 16
Operating profit	135	108	64	44	324	224
Finance expenses, net	(62)	(25)	(50)	(26)	(237)	(101)
Profit before taxes on income	73	83	14	18	87	123
Taxes on income	(14)	(14)	(11)	(11)	(31)	(31)
Net income from continuing operations	59	69	3	7	56	92
Loss from discontinued operations	(34)	(34)	-	-	(22)	(22)
Net income	25	35	3	7	34	70
Net income attributed to Company shareholders	21	24	19	20	52	69
EBITDA	190	97	158	72	691	323

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

	For the three months ended 31 March		For the year ended 31 December
	2025	2024	2024
NIS millions			
Operating profit as reported	135	64	324
Additional rental expenses resulting from the neutralisation of the effects of the application of IFRS 16	(93)	(86)	(368)
Net of depreciation effects - IFRS 16	66	68	268
Net of other income due to contract reductions	-	(1)	-
Operating profit net of effect of IFRS 16	108	45	224
Net of effects of financing expenses when applying IFRS 16	37	24	136
EBITDA as reported	190	158	691
Inclusion of rent expenses	93	86	368
EBITDA net of effects of IFRS 16	97	72	323

The Board of Directors' Explanations for the State of the Company's Affairs

5. Financial position:

5.1 Summary of the consolidated balance sheets

Item	As at 31 March 2025	As at 31 December 2024	The Board's Explanations
In NIS millions			
Current assets	2,285	2,345	The decrease was mainly attributable to a reduction in short-term deposit balances in the amount of NIS 275 million, partially offset primarily by an increase in inventory due to seasonality and stocking for the Passover holiday, and by an increase in trade receivables and debit balances.
Non-current assets	5,707	5,659	The increase was mainly attributable to growth in investment property as a result of a revaluation in the reporting period, and to growth in property, plant and equipment due to continued investment in the conversion of Carrefour stores, partially offset by a decrease in right-of-use assets and intangible assets.
Current liabilities	3,518	3,382	The increase was mainly attributable to growth in trade payables, primarily as a result of inventory stocking, as noted above, in the electrical consumer products, electrical retail, and retail food segments, and to dividends payable, partially offset by a decrease in credit from banks and other institutions.
Non-current liabilities	3,455	3,589	The decrease was mainly attributable to a reduction in loans from banks and other institutions, primarily as a result of the early repayment of long-term loans, and in lease liabilities, partially offset by an increase in other liabilities.
Equity	1,019	1,033	The decrease was mainly attributable to a dividend to the Company's shareholders in the amount of NIS 40 million, partially offset by comprehensive income for the period in the amount of NIS 25 million.
Financial debt, net	3,487	3,475	The increase was mainly attributable to investments in property, plant, and equipment, offset by positive cash flows from operating activities and by a decrease in lease liabilities.
Net financial debt, net of IFRS 16	860	832	The increase was mainly attributable to investments in property, plant, and equipment, offset by positive cash flows from current operations.

5.2 Segmental assets and liabilities

	31 March 2025					
	NIS millions					
	Electrical consumer products segment	Electrical retail segment	Retail food segment	Sports and leisure segment	Investment property, adjustments, and other segment	Total
Current assets	1,048	762	531	248	(304)	2,285
Non-current assets	295	518	3,957	487	450	5,707
Current liabilities	527	1,255	1,544	234	(42)	3,518
Non-current liabilities	135	285	2,361	252	422	3,455
Financial asset (debt), net	(66)	(271)	(2,466)	(309)	(375)	(3,487)
Financial asset (debt), net (net of IFRS 16)	(42)	(19)	(407)	(17)	(375)	(860)

	31 December 2024					
	NIS millions					
	Electrical consumer products segment	Electrical retail segment	Retail food segment	Sports and leisure segment	Investment property, adjustments, and other segment	Total
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	(40)	(259)	(2,504)	(321)	(351)	(3,475)
Financial asset (debt), net (net of IFRS 16)	(16)	(13)	(405)	(47)	(351)	(832)

6. Breakdown of sources of financing

6.1 The following is a brief summary of the cash flows:

Item	1-3/2025 NIS millions	1-3/2024 NIS millions	The Board's Explanations
Net cash from current operations	101	103	Net cash that derived from current operations amounted to NIS 101 million in the reporting period, as compared with NIS 103 million in the previous year.
Net cash from (used for) investment operations	205	(328)	Net cash provided by investing activities in the reporting period was mainly attributable to proceeds from short-term deposits and from the disposal of an investment in securities in the amount of NIS 265 million, partially offset by investment in the purchase of property, plant, and equipment, net, in the amount of NIS 56 million.
Net cash from (used for) finance activities	(278)	69	Net cash used in finance activities in the reporting period was mainly used for the repayment of long-term loans from banks in the amount of NIS 272 million and for the repayment of lease liabilities in the amount of NIS 57 million, partially offset by proceeds from long-term loans from banks in the amount of NIS 47 million.
Total increase (decrease) in cash	28	(156)	

6.2. Working capital shortfall

As at 31 March 2025, the Company listed, in its interim consolidated financial statements, negative working capital (net) (current assets less current liabilities) of NIS 1,233 million and a negative operating capital (net) - which characterises retail operations such as the Company's - of NIS 215 million. As of the same date, the Company had negative working capital (net) (current assets less current liabilities) in the amount of NIS 11 million, as well as negative operating working capital, according to the Company's separate (solo) financial information, in the amount of NIS 4 million.

Net of the food segment, the Company has negative working capital (net) (current assets less current liabilities) in the sum of NIS 159 million, and positive operating working capital (net) in the sum of NIS 346 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. See Note 4D to the interim consolidated financial statements for additional details.

7. Significant events during and after the reporting period

7.1 Dividend

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 dividend was paid on 8 April 2025.

7.2 Matters relating to the Global Retail C.I. Ltd. Group

For details regarding other matters related to Global Retail, see Note 4(a) to the consolidated interim financial statements.

7.3 Further to Note 26E in the consolidated annual financial statements, regarding regulatory changes in the heating and cooling systems sector, the Company's second-tier subsidiary discontinued its operations in the heating systems manufacturing sector at the end of March 2025, which were included in the financial statements as discontinued operations.

7.4 See Notes 4 and 10 to the interim consolidated financial statements, respectively, regarding additional significant events in the reporting period and thereafter.

7.5 On May 26, 2025, the Israel Securities Authority announced its decision to extend the period for the Company's securities offering under the corporation's shelf prospectus dated May 31, 2023, until May 30, 2026.

7.6 The Iron Swords War

During the first quarter of 2025, there was no significant change in the impact of the Iron Swords War on the Company's operating segments, as mentioned in Note 1d to the consolidated annual financial statements, attached as Part C to the Company's periodic report for 2024.

7.7 The increase in the inflation rate and in the interest rate

Since the beginning of 2022, there has been a significant increase in the pace of inflation in Israel and globally, compared with the levels of inflation that prevailed in the preceding years. At the same time, the Bank of Israel raised the market interest rate.

The Company has long-term liabilities to banks and other corporations in the sum of NIS 442 million, which are linked to the prime rate (of which, NIS 439 million is attributed to Global Retail Group), and short-term liabilities to banks in the sum of NIS 272 million, which are linked to the prime rate, for which the Company does not maintain cash balances or deposits. In the reporting period, the Company recorded net finance expenses of NIS 13 million in respect of these balances.

Additionally, the Company pays property owners rent for its branches and offices that is for the most part linked to the consumer price index. 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.

7.8 Seasonality

The Company's operations are affected by seasonality in the various segments, in accordance with the seasons of the year and the High Holiday periods. See Note 3 to the interim consolidated financial statements for details.

The Company's assessments regarding the impact of the Iron Swords War and the effect of the increase in the inflation rate and in the interest rate constitute "forward-looking information," as defined in the Securities Law, 1968-5728. 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.

8. Buyback Plan

- A. On 10 August 2022, the Company's board of directors approved an additional plan to buy back up to NIS 100 million of Company shares for a period of 3 years that ends on 9 August 2025. On 26 May 2025, the Company's board of directors approved an extension of the buyback plan of up to NIS 100 million of Company shares for a period of 3 years that ends on 9 August 2028.

During the reporting period, the Company did not purchase its shares under the above plan.

- B. On 26 May 2025, the Company's board of directors approved an additional plan to buy back of up to NIS 100 million of Company bonds for a period of 3 years that ends on 25 May 2028.

9. Directors With Accounting And Financial Expertise

During the reporting period, there was no change regarding the minimum number of directors who have special financial-accounting expertise that the Company board of directors must include.

10. Independent Directors

During the reporting period, there was no change regarding the independent directors as set forth in the Company's Periodic Report for 2024.

11. Disclosure Regarding The Internal Auditor

During the reporting period, there were no material changes regarding data about the Company's internal auditor as set forth in the Company's Periodic Report for 2024.

12. Disclosure Regarding Critical Accounting Estimates

See the Board of Directors Report for 31 December 2024.

13. Statement Of Liabilities Of The Company And Consolidated Subsidiaries

Data on the Company's liabilities position as at 31 March 2025 are included in this report by way of reference to such data in the Company's immediate report on the Company's liabilities position by repayment dates, which the Company published in tandem with this report.

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

As at 31 March 2025, the Company has a substantial valuation of its investment property:

Below are details pursuant to Article 8B(I) to the Securities Regulations (Periodic and Immediate Reports), 5730-1970, regarding the valuation that was used in determining the data values in the Company's financial statements:

Identification of the subject of the valuation:	Estimate of the value of the interests in the real estate known as the "Electra" complex in Rishon Le'Zion
Timing of the valuation:	31 March 2025
Value of the subject of the valuation that was determined pursuant to the valuation:	NIS 195 million *) (according to the Company's share in the rights – 50%).
Valuator information:	Z.K. Research and Surveys (1989) Ltd. The work was carried out by Erez Cohen, real estate appraiser, holding a bachelor's degree in geography and law, with studies in real estate appraisal and property management from the Technion, Tel Aviv Extension. He is a licensed real estate appraiser under the Real Estate Appraiser Law and has many years of experience in accounting valuations for reporting corporations. The Company executed an undertaking to indemnify the valuator. The valuator is not dependent on the Company.
The assessment model used by the valuator:	The property was valued using the sales comparison approach, which is based on a price survey of properties with similar characteristics. With that, because of the difficulty in finding data regarding real estate transactions with similar characteristics, the value of the land is examined using the cost ("residual value") approach by extracting the value of the land from the value of the construction.
Assumptions used by the valuator in the valuation:	The valuation of Lot 221 was based on a proposed plan that includes the addition of uses for logistics and storage (which were approved in previous plans for the complex), in addition to the currently approved uses: offices, high-tech industry, clean industry, commerce (limited to the first two floors only), restaurants and cafeterias, event halls, cultural and entertainment facilities, clinics, and laboratories. It was assumed that an additional planning proceeding would be required - an accommodation or a plan within the authority of the local board - both for the purpose of expanding the permitted uses and for amending the approved construction in the complex - the building footprint and height. Accordingly, the following were taken into account: a three-year deferral in realisation, a 5% reduction factor due to planning uncertainty, and a deduction of the betterment levy according to the estimate. Lot 280 was valued in accordance with its designation under the valid plan RZ/168/20.

*) The land is presented in the Company's balance sheet at its full value of NIS 390 million (although 50% of the property was sold to Reality, as indicated in Note 12E to the consolidated annual financial statements, possession of the property has not yet been transferred, and therefore the asset is presented at 100%).

In a previous valuation of the subject property, as of December 31, 2024, conducted by the firm of Odales Keinan, the property (50% – the Company's share) was valued at NIS 163.5 million. The current value, as noted, reflects an increase of approximately 19% compared with the previous valuation, resulting from the following:

In the previous valuation, the building rights were valued in accordance with the urban master plan in effect, for employment uses.

In the current valuation, the proposed plan for the complex was assessed, which includes uses for commerce, offices, logistics, and storage. The expansion of the permitted uses, as well as the proposed construction, require approval of reliefs and/or preparation and approval of a new urban master plan. Accordingly, a deferral of realisation was taken into account, as well as a deduction of the betterment levy according to the estimate, in addition to the application of an uncertainty factor.

15. Financial Benchmarks

Below is a table that sets forth the various criteria that the Company undertook with respect to bondholders, and the calculation of whose results are accurate as at 31 March 2025:

Security	Balance of the par value of the security in circulation (in NIS millions)		Financial benchmark	Actual benchmark as at 31.3.2025
	As at 31 March 2025	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 630 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) shall not exceed 67%.	11.22%

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

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 March 2025	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 carried accrued interest as at 31 March 2025	NIS 2.5 million (4)
7.	The value of the bonds' balance as included in the Company's financial statements as at 31 March 2025	NIS 467 million
8.	Market value as at 25 May 2025	NIS 457.3 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.
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.

Bonds (Series A)⁽¹⁾		
Disclosure item		Details about the bonds (Series A)
17.	Fulfilment of the terms and obligations pursuant to the Trust Deed	As of the reporting date, the Company has been meeting all of its above described financial terms and obligations. Additionally, as of the reporting 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 reporting date	Standard & Poors 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 reporting date	'ilAA-' (August, September, and December 2022, August 2023, and January 2024)

- (1) As of the reporting date, pursuant to the provisions of Section 10(B)(13)(a) to the Reports 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) The amount of interest accrued as at 26 May 2025 is NIS 4.13 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.

17. Linkage-Bases Report as at 31 March 2025 (in NIS millions)

	Dollars	Euro	Total foreign currency	Unlinked	Linked	Non- monetary	Total
Assets							
Cash and cash equivalents	33	52	85	227	9	-	321
Short-term investments	-	-	-	1	-	-	1
Trade receivables	3	25	28	695	-	-	723
Other receivables	4	27	31	53	5	20	109
Inventory	-	-	-	-	-	1,131	1,131
Long-term trade and other receivables	-	-	-	29	3	-	32
Investment property	-	-	-	-	-	390	390
Investment property under construction	-	-	-	-	-	51	51
Property, plant, and equipment, net	-	-	-	-	-	810	810
Right-of-use assets, land	-	-	-	-	-	63	63
Right-of-use assets, other	-	-	-	-	-	2,289	2,289
Goodwill	-	-	-	-	-	1,928	1,928
Intangible assets	-	-	-	-	-	117	117
Deferred taxes	-	-	-	-	-	27	27
Total assets	40	104	144	1,005	17	6,826	7,992
Liabilities							
Credit from banks and others	-	-	-	375	-	-	375
Current maturities of bonds	-	-	-	74	-	-	74
Current maturities of lease liabilities	-	-	-	-	227	-	227
Trade payables	305	62	367	1,702	-	-	2,069
Other payables	3	17	20	361	20	332	733
Dividends payable	-	-	-	40	-	-	40
Loans from banks and others	-	-	-	340	-	-	340
Bonds/debentures	-	-	-	393	-	-	393
Lease liabilities	-	-	-	-	2,400	-	2,400
Other non-current liabilities	-	4	4	60	-	181	245
Employee benefit liabilities, net	-	-	-	-	-	35	35
Deferred taxes	-	-	-	-	-	42	42
Total liabilities	308	83	391	3,345	2,647	590	6,973
Balance of the exposure of assets (liabilities) to results	(268)	21	(247)	(2,340)	(2,630)	6,236	1,019

Zvika Schwimmer
Chief Executive Officer

Daniel Salkind
Chair of the Board of Directors

Date: 26 May 2025

Consolidated Statements of Financial Position

	As at 31 March		As at
	2025	2024	31 December
	Unaudited		2024
	Unaudited		Audited
	NIS millions		
<u>Current assets</u>			
Cash and cash equivalents	321	220	293
Short-term deposits and investments	1	358	276
Trade receivables	723	726	712
Other receivables	109	101	88
Inventory	<u>1,131</u>	<u>1,077</u>	<u>976</u>
	<u>2,285</u>	<u>2,482</u>	<u>2,345</u>
<u>Non-current assets</u>			
Long-term other receivables	32	10	32
Investment in companies treated at equity	-	12	-
Investment property	390	328	328
Investment property under construction	51	53	51
Property, plant, and equipment, net	810	653	781
Right of use assets, land	63	64	63
Right of use assets, other	2,289	2,221	2,309
Goodwill	1,928	1,935	1,935
Intangible assets	117	144	132
Deferred taxes	<u>27</u>	<u>28</u>	<u>28</u>
	<u>5,707</u>	<u>5,448</u>	<u>5,659</u>
	<u>7,992</u>	<u>7,930</u>	<u>8,004</u>

Consolidated Statements of Financial Position

	As at 31 March		As at
	2025	2024	31 December
	Unaudited		Audited
	NIS millions		
<u>Current liabilities</u>			
Credit from banks and others	375	269	445
Current maturities of bonds	74	74	74
Current maturities of lease liabilities	227	218	225
Trade payables	2,069	1,949	1,938
Other payables	733	709	700
Dividends payable	40	-	-
	<u>3,518</u>	<u>3,219</u>	<u>3,382</u>
<u>Non-current liabilities</u>			
Loans from banks and others	340	610	490
Bonds/debentures	393	468	392
Lease liabilities	2,400	2,296	2,418
Other liabilities	245	230	216
Employee benefit liabilities, net	35	33	34
Deferred taxes	42	42	39
	<u>3,455</u>	<u>3,679</u>	<u>3,589</u>
<u>Equity</u>			
Equity attributed to Company shareholders	631	635	650
Non-controlling interests	<u>388</u>	<u>397</u>	<u>383</u>
<u>Total equity</u>	<u>1,019</u>	<u>1,032</u>	<u>1,033</u>
	<u>7,992</u>	<u>7,930</u>	<u>8,004</u>

26 May 2025

Date of approval of the
financial statementsDaniel Salkind
Chair of the Board of
DirectorsZvika Schwimmer
Chief Executive
OfficerLiat Shoham
Chief Financial Officer

Consolidated Statements of Profit and Loss

	For the three months ended at 31 March		For the year ended at 31 December
	2025	* 2024	* 2024
	Unaudited		Audited
	NIS millions		
Revenues from sales and provision of services	1,756	1,710	7,256
Cost of sales and provision of services	(1,216)	(1,204)	(5,110)
Gross profit	540	506	2,146
Selling and marketing expenses	(417)	(414)	(1,730)
Administrative and general expenses	(29)	(25)	(102)
Research and development expenses	-	(1)	(2)
Group's share in losses of companies treated at equity, net	-	(1)	(1)
Operating profit before other income, net, and reorganisation revenues (expenses)	94	65	311
Other income (expenses), net	41	(7)	14
Reorganisation revenues (expenses)	-	6	(1)
Operating profit after other income (expenses) and reorganisation income (expenses)	135	64	324
Finance income	2	4	19
Finance expenses	(64)	(54)	(256)
Profit before income taxes	73	14	87
Taxes on income	(14)	(11)	(31)
Net income from continuing operations	59	3	56
Loss from discontinued operations	(34)	-	(22)
Net income	25	3	34
<u>Net income (loss) attributed to:</u>			
Company shareholders	21	19	52
Non-controlling interests	4	(16)	(18)
	25	3	34
<u>Basic earnings (loss) per share attributable to the Company's shareholders (NIS)</u>			
Profit from continuing operations	2.34	0.81	3.07
Loss from discontinued operations	(1.46)	(0.01)	(0.82)
	0.88	0.80	2.25
<u>Diluted earnings (loss) per share attributable to the Company's shareholders (NIS)</u>			
Profit from continuing operations	2.33	0.80	3.06
Loss from discontinued operations	(1.46)	(0.01)	(0.82)
	0.87	0.79	2.24
Weighted number of shares used in calculating base net income (loss) per share	23,218	23,231	23,156
Weighted number of shares used in calculating diluted net earnings (loss) per share	23,231	23,409	23,305

*) Reclassified with respect to discontinued operations.

Consolidated Statements of Comprehensive Income

	For the three months ended at 31 March		For the year ended at 31 December
	2025	2024	2024
	Unaudited		Audited
	NIS millions		
Net income	25	3	34
Other comprehensive income (loss) (net of tax):			
<u>Sums that will not later be reclassified to profit or loss:</u>			
Loss from remeasurement for defined benefit plans	-	-	(2)
<u>Sums that will be classified or are reclassified to profit or loss upon specific conditions being met:</u>			
Profit with respect to cash flow hedging transactions	-	1	2
Total other comprehensive income (loss)	-	1	-
Total comprehensive income (loss)	25	4	34
<u>Comprehensive income (loss) attributable to:</u>			
Company shareholders	21	20	53
Non-controlling interests	4	(16)	(19)
	25	4	34

Consolidated Statements of Changes in Equity

	Attributed to Company shareholders							Retained earnings	Total	Non-controlling interests	Total equity
	Share capital	Share premium	Treasury shares	Capital reserve with respect to transactions with controlling shareholders	Capital reserve with respect to transactions with holders of non-controlling interests	Capital reserve with respect to share-based payments	Capital reserve with respect to remeasurement of defined benefit plans				
	Unaudited										
	NIS millions										
<u>Balance as at 1 January 2025 (audited)</u>	75	559	(150)	4	(54)	9	(4)	211	650	383	1,033
Total comprehensive income	-	-	-	-	-	-	-	21	21	4	25
Cost of share-based payments	-	-	-	-	-	1	-	-	1	-	1
Transaction with holders of non-controlling interests	-	-	-	-	(1)	-	-	-	(1)	1	-
Dividends declared to Company shareholders	-	-	-	-	-	-	-	(40)	(40)	-	(40)
<u>Balance as at 31 March 2025</u>	<u>75</u>	<u>559</u>	<u>(150)</u>	<u>4</u>	<u>(55)</u>	<u>10</u>	<u>(4)</u>	<u>192</u>	<u>631</u>	<u>388</u>	<u>1,019</u>

Consolidated Statements of Changes in Equity

	Attributed to Company shareholders										Non-controlling interests	Total equity
	Share capital	Share premium	Treasury shares	Capital reserve with respect to transactions with controlling shareholders	Capital reserve with respect to transactions with holders of non-controlling 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		
	Unaudited NIS millions											
Balance as at 1 January 2024 (audited)	75	554	(132)	4	(35)	12	(3)	(2)	159	632	370	1,002
Total comprehensive income (loss)	-	-	-	-	-	-	-	1	19	20	(16)	4
Cost of share-based payments	-	-	-	-	-	1	-	-	-	1	-	1
Transaction with holders of non-controlling interests	-	-	-	-	(14)	-	-	-	-	(14)	43	29
Buyback of Company shares	-	-	(4)	-	-	-	-	-	-	(4)	-	(4)
Exercise of warrants	*)	1	-	-	-	(1)	-	-	-	*)	-	*)
Balance as at 31 March 2024	75	555	(136)	4	(49)	12	(3)	(1)	178	635	397	1,032

*) Amount less than NIS 1 million.

Consolidated Statements of Changes in Equity

	Attributed to Company shareholders										Non-controlling interests	Total equity
	Share capital	Share premium	Treasury shares	Capital reserve with respect to transactions with controlling shareholders	Capital reserve with respect to transactions with holders of non-controlling 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		
	Audited											
	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 warrants	*)	5	-	-	-	(5)	-	-	-	-	-	-
Transaction with holders of non-controlling interests	-	-	-	-	(19)	-	-	-	-	(19)	43	24
Dividends paid to non-controlling 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 Cash Flows

	For the three months ended at 31 March		For the year ended at 31 December
	2025	2024	2024
	Unaudited		Audited
	NIS millions		
Cash Flows from Current Operations			
Net income	25	3	34
Adjustments required for presenting cash flows from current operations:			
Adjustments to profit and loss items:			
Depreciation and amortisation	102	95	386
Impairment (increase) in fair value of investment property and investment property under construction	(30)	1	4
Impairment of intangible assets	11	-	-
Cost of share-based payment	1	1	3
Capital loss (gain) from disposal of stores and property, plant, and equipment	(6)	(1)	4
Capital gain from disposal of an investee	-	-	(2)
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	5	1	(3)
Change in employee benefit liabilities, net	1	-	(2)
Change in provision for impairment of property, plant, and equipment and right of use assets	(1)	(4)	1
Other adjustments	9	(4)	(6)
	92	90	395
Changes in assets and liabilities items:			
Increase in trade receivables (including long-term receivables)	(10)	(77)	(77)
Increase in other receivables	(26)	(15)	(7)
Increase in inventory	(154)	(105)	(4)
Increase in trade payables	145	156	120
Increase in other payables	29	51	98
	(16)	10	130
Net cash from current operations	101	103	559

Consolidated Statements of Cash Flows

	For the three months ended at 31 March		For the year ended at 31 December
	2025	2024	2024
	Unaudited		Audited
	NIS millions		
<u>Cash flow from investment activities</u>			
Acquisition of property, plant, and equipment	(73)	(43)	(222)
Purchase of intangible assets	(3)	(1)	(5)
Capitalisation of costs recognised in investment property and investment property under construction	(1)	(1)	(2)
Proceeds from disposal of property, plant, and equipment	17	9	10
Proceeds from (investment in) short-term deposits, net	250	(236)	(150)
Proceeds from (investment in) marketable securities, net	15	(15)	(16)
Other investments, net	-	-	(16)
Deferred payment for acquired operations	-	(41)	(48)
Net cash from (used for) investment operations	205	(328)	(449)
<u>Cash flows from finance activities</u>			
Net proceeds from issuance of share capital	-	*)	-
Dividends paid to non-controlling interests	-	-	(12)
Repayment of bonds/debentures	-	-	(82)
Issuance of bonds/debentures less cost of issuance	-	178	178
Receipt of long-term bank loans	47	15	30
Repayment of long-term loans from banks and others	(272)	(21)	(141)
Buyback of Company shares	-	(4)	(18)
Issuance of equity in consolidated company to holders of non-controlling interests	-	78	78
Payment for Carrefour franchise	-	-	(44)
Buyback of shares from holder of non-controlling interests	-	(13)	(18)
Payment of lease liabilities	(57)	(65)	(226)
Short-term bank credit, net	4	(99)	62
Net cash from (used for) finance activities	(278)	69	(193)
<u>Increase (decrease) in cash and cash equivalents</u>	28	(156)	(83)
<u>Balance of cash and cash equivalents at beginning of period</u>	293	376	376
<u>Balance of cash and cash equivalents at end of the period</u>	321	220	293

*) Amount less than NIS 1 million.

Consolidated Statements of Cash Flows

	For the three months ended at 31 March		For the year ended at 31 December
	2025	2024	2024
	Unaudited		Audited
	NIS millions		
(A) <u>Significant non-cash activities</u>			
Acquisition of property, plant, and equipment using credit	35	25	50
Increase in right of use asset against lease liabilities	68	665	1,040
Proceeds from non-cash sale of a branch	-	-	5
Dividends payable to Company shareholders	40	-	-
Transaction with holder of non-controlling interests	-	53	53
Growth of franchise asset against liability	-	33	-
(B) <u>Additional information on cash flows</u>			
Cash paid over the course of the period for:			
Interest	49	49	252
Taxes on income	14	23	44
Cash received over the course of the period for:			
Interest	9	5	12
Taxes on income	7	1	3

