



Financial Statements as of 30 June 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 30 June 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

₪1.05B

Total company equity

ilAA-

S&P Rating

138K

Credit card Carrefour Club holders

₪348M

EBITDA in the reporting period

7K

Number of employees

8.1B

Total company balance sheet

₪3.5B

Revenues in the reporting period

1.1B

Financial debt (net of IFRS 16)

347

Branches

Sports and Leisure Segment

105

Number of branches

Columbia

branches 26



branches 40

Outsiders

branches 13

שבילימ

branches 19

BOARDERLINE

branches 3

RIPCURL

branches 4

sq.m 31K

Commercial space

7.9%

Percent change in same stores in the reporting period (Excluding 12 days of Operation Rising Lion)



Retail Food Segment

148

Number of branches

Carrefour

sq.m 175K

Commercial space

4.9%

Percent change in same stores during the second quarter of the year



Electrical Retail Segment

94

Number of branches

מחסני חשמל

branches 70

DUTY FREE אפיק

branches 2

אפיק

branches 22

sq.m 55K

Commercial space

-1.8%

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 six months ended at 30 June 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 six-month and three-month periods ended at 30 June 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

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



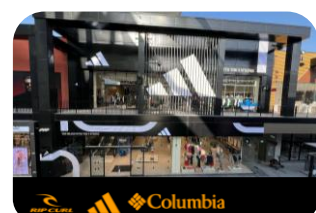
Electrical retail segment

Operation of retail chains to sell electrical consumer products and cellular telephones and accessories by means of "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 travelers, 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 property segment

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

2. Operating results:

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

Item	1-6/2025 NIS millions	1-6/2024 NIS millions**)	The Board's Explanations
Revenues from sales and provision of services	3,549	3,443	The Group's revenues increased by 3.1% compared with the corresponding half-year period of the previous year. The increase in revenues derived from growth in revenues in the electrical retail segment, the retail food segment, and in the sports and leisure segment, which was partially offset by a decrease in sales in the electrical consumer products segment. See Section 3 below.
Gross profit	1,049	1,000 *)	Most of the increase in gross profit was primarily due to improved profit in the retail food segment and in the electrical retail segment, primarily as a result of the increase in revenue turnover as noted above, and as a result of streamlining expenses, mainly in the retail food segment.
Gross profit %	29.6%	29.0%	The increase was due to an improvement in gross profit margins across most operating segments.
Selling and marketing expenses	(839)	(824) *)	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 primarily by a decrease in selling expenses in the food segment, primarily as a result of streamlining.
Administrative and general expenses	(56)	(52)	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 last quarter of the previous year. See Section 1.3.6 of the Report of the Board of Directors for 2024.
Research and development expenses	(1)	(2)	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	153	121	
Operating profit % before other income (expenses) and reorganisation	4.3%	3.5%	
Other income (expenses), net	75	(2)	See section 2.3 below for details.
Reorganisation revenues	-	6	The previous year's reorganisation income was derived from the food segment.
Operating profit	228	125	
Operating profit %	6.4%	3.6%	
Finance expenses, net	(116)	(114)	The increase was mainly attributable to growth in financing expenses under IFRS 16, resulting from the extension of lease agreements, primarily in the retail food segment, and from a decrease in income from deposits, partially offset by a decrease in exchange rate difference expenses and by a decrease in interest expenses resulting from the early repayment of long-term loans.
Profit before taxes on income	112	11	
Taxes on income	(28)	(14)	The increase in tax expenses primarily derived from an increase in profit before tax net of the food segment and a

Item	1-6/2025 NIS millions	1-6/2024 NIS millions**)	The Board's Explanations
			tax return for prior years received last year in the food segment.
Net income (loss) from continuing operations	84	(3)	
Loss from discontinued operations	(34)	(3)	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 (loss)	50	(6)	
Net income (loss) %	1.4%	(0.2%)	
Net income attributed to Company shareholders	51	19	
Net income from ongoing operations attributed to Company shareholders	85	22	
EBITDA	348	305	
EBITDA net of effects of IFRS 16	161	131	

*) Reclassified.

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

2.2 Summary of business results in the second quarter (in NIS millions):

Item	4-6/2025 NIS millions	4-6/2024 NIS millions**)	The Board's Explanations
Revenues from sales and provision of services	1,793	1,733	The Group's revenues increased by 3.4% compared with the corresponding quarter last year. The increase in revenues derived primarily from growth in revenues in the electrical retail segment, the retail food segment, and in the electrical consumer products segment, which was partially offset by a decrease in sales in the sports and leisure segment, primarily as a result of Operation Rising Lion. See Section 3 below.
Gross profit	509	503 *)	The increase in gross profit was primarily due to growth in the gross profit in the electrical retail segment and the food segment, primarily as a result of the increase in revenue turnover as noted above, and streamlining expenses, mainly in the food segment.
Gross profit %	28.4%	29.1%	The decrease was mainly attributable to a decline in gross profit margins in the sports and leisure segment and in the food segment, partially offset by an increase in the gross profit margin in the electrical retail segment.
Selling and marketing expenses	(422)	(418) *)	The increase was mainly attributable to growth in the electrical retail segment, resulting from an increase in sales turnover and the opening of new stores, and to growth in the sports and leisure segment, partially offset by a decrease in selling and marketing expenses in the retail food segment.
Administrative and general expenses	(27)	(28)	No significant change.
Research and development expenses	(1)	(1)	No significant change.
Profit before other income and reorganisation	59	56	

Item	4-6/2025 NIS millions	4-6/2024 NIS millions**)	The Board's Explanations
Operating profit % before other income (expenses) and reorganisation	3.3%	3.2%	
Other income, net	34	4	See section 2.3 below for details.
Reorganisation revenues	-	1	No significant change.
Operating profit	93	61	
Operating profit %	5.2%	3.5%	
Finance expenses, net	(54)	(64)	The decrease was mainly attributable to a decline in exchange rate difference expenses, partially offset by a decrease in interest income from deposits due to the use of deposits for the repayment of long-term loans, an increase in financing expenses under IFRS 16, primarily as a result of the extension of lease agreements in the retail food segment, and an increase in other financing expenses.
Income (loss) before taxes on income	39	(3)	
Taxes on income	(14)	(3)	The increase in tax expenses primarily derived from an increase in income before tax net of the food segment and a tax return for prior years received the previous year in the food segment.
Net income (loss) from continuing operations	25	(6)	
Loss from discontinued operations	***)	(3)	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 (loss)	25	(9)	
Net income (loss) %	1.4%	(0.5%)	
Net income attributed to Company shareholders	30	***)	
Net income from ongoing operations attributed to Company shareholders	30	3	
EBITDA	158	147	
EBITDA net of effects of IFRS 16	63	59	

*) Reclassified.

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

***) Amount less than NIS 1 million.

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

	For the six months ended 30 June		For the three months ended 30 June	
	2025	2024	2025	2024
	NIS millions		NIS millions	
Increase (impairment) of	65	(2)	35	(1)
Capital gain from disposal of stores	16	1	10	-
Transaction costs and consulting	-	(5)	-	-
Revenues (expenses) from lawsuits	(5)	2	(4)	2
Iron Swords War grant	-	3	-	3
Other	(1)	(1)	(7)	-
Total	75	(2)	34	4

*) See section 7.6 and section 14 below and Note 4C to the interim consolidated financial statements.

3. Report on business segments

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

For the six months ended at 30 June 2025	Electrical consumer products segment	Electrical retail segment	Retail food segment	Sports and leisure segment	Investment real estate segment	Adjustments and other	Total
NIS millions							
Total income	502	1,243	1,639	234	7	(76)	3,549
Segmental income	34	49	85	13	66	1	248
% of revenues	6.7%	4.0%	5.2%	5.5%	-	-	7.0%
Unallocated shared expenses							(20)
Operating profit							228
EBITDA	46	80	190	45	7	(20)	348
EBITDA net of IFRS 16	42	54	66	13	7	(21)	161

For the six months ended at 30 June 2024	Electrical consumer products segment *)	Electrical retail segment	Retail food segment	Sports and leisure segment	Investment real estate segment	Adjustments and other	Total
NIS millions							
Total income	511	1,180	1,602	227	7	(84)	3,443
Segmental income	32	59	34	16	4	(2)	143
% of revenues	6.2%	5.0%	2.1%	7.0%	-	-	4.2%
Unallocated shared expenses							(18)
Operating profit							125
EBITDA	44	84	146	45	6	(20)	305
EBITDA net of IFRS 16	41	62	27	16	6	(21)	131

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

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

For the three months ended 30 June 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	256	639	840	100	4	(46)	1,793
Segmental income (loss)	9	23	43	(5)	33	(1)	102
% of revenues	3.5%	3.6%	5.1%	(4.7%)	-	-	5.7%
Unallocated shared expenses							(9)
Operating profit							93
EBITDA	15	39	97	13	3	(9)	158
EBITDA net of IFRS 16	13	25	35	(4)	3	(9)	63

For the three months ended 30 June 2024	Electrical consumer products segment *)	Electrical retail segment	Retail food segment	Sports and leisure segment	Investment real estate segment	Adjustments and other	Total
NIS millions							
Total income	253	610	812	103	3	(48)	1,733
Segmental income	8	29	30	3	2	(2)	70
% of revenues	3.2%	4.7%	3.8%	2.6%	-	-	4.1%
Unallocated shared expenses							(9)
Operating profit							61
EBITDA	15	42	81	17	3	(11)	147
EBITDA net of IFRS 16	14	31	21	2	3	(12)	59

*) 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 1,243 million in the reporting period, as compared with NIS 1,180 million in the corresponding period of the previous year, which constitutes an increase of 5.3%. Sales turnover amounted to NIS 639 million in the second quarter of 2025, as compared with NIS 610 million in the parallel period of the previous year, reflecting an increase of 4.7%.

The increase in sales in the reporting period was mainly attributable to growth in sales from new stores, growth in online sales, and growth in duty-free store sales, compared with the corresponding period of the prior year. The increase in sales in the second quarter of 2025, compared with the corresponding period of the prior year, was mainly attributable to growth in sales from new stores and from online sales, partially offset by a decrease in sales at Shekem Duty Free, primarily as a result of the Operation Rising Lion and the closure of duty-free stores. (See Section 7.5 below).

Sales in same stores in the segment that were fully operational during the reporting period and in the second quarter of 2025 decreased by approximately 1.8% and 3.1%, respectively, compared with the corresponding period of the previous year. Excluding duty-free stores, same store sales that operated in full in the second quarter of 2025 decreased by approximately 1.0% compared with the corresponding period of the previous year.

Sales per square metre in same stores amounted, in the reporting period, to a monthly average of NIS 5,405 per square metre, compared with NIS 5,608 per square metre in the corresponding period of the prior year, and in the second quarter of 2025 to a monthly average of NIS 5,487 per square metre, compared with NIS 5,775 per square metre in the corresponding period of the prior year.

Segmental income amounted to NIS 49 million in the reporting period, reflecting 4.0% of turnover, as compared with NIS 59 million, reflecting 5.0% of turnover, in the corresponding period of the previous year. Segmental income in the second quarter of 2025 amounted to NIS 23 million, representing approximately 3.6% of turnover, compared with NIS 29 million in the corresponding period of the previous year, representing approximately 4.7% of turnover.

The decrease in segmental income during the reporting period and in the second quarter of 2025 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. Since the beginning of the year, the Company has prepared for growth in the segment's operations and revenues, *inter alia*, through the opening of new stores, stocking appropriate inventory, and upgrading the Company's infrastructure to support continued growth. Operation Rising Lion adversely affected growth as noted above, while the supporting costs remained unchanged, resulting in an adverse impact on segmental income. (See Section 7.5 below). **It should be noted that in July 2025, the segment returned to growth compared with July of the previous year, presenting an increase in same store sales.**

It should be clarified that the financial data for the month of July are the Company's management estimates and have not been reviewed and/or audited by the Company's external auditor.

Electrical Retail - in NIS millions		4-6/2025	4-6/2024	31.12.2024
General data				
Number of franchise stores		1	2	1
Number of directly operated stores		93 ¹	81	86
Commercial space, gross (m ²)		54,549	47,838	51,228
Commercial space, net (m ²)		36,982	31,592	34,172
Human capital	Stores	950	893	1,061
	Other	189	163	129
Results of operations				
Revenues	Directly operated	639	610	2,550
Cost of sale	Variable costs	492	470	1,963
Rent (according to gross commercial space as indicated above)	After applying IFRS 16 (*)	10	5	33
	Without application of IFRS 16	22	16	78
Total salary costs attributed to retail operations employees (including contract worker expenses)		62	54	225
Depreciation expenses after application of IFRS 16		16	13	54
Segmental income		23	29	113
Operational working capital (shortfall) (**)		(135)	(298)	(260)
Redemption and sales data				
Revenues per m ² - monthly average in NIS thousands		5.5	5.8	5.9
Change in income from same store sales (%)		(3.1%)	33.7%	22.5%

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

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

¹ As of the report approval date, the electrical retail segment has 94 stores.

Changes	For the quarter ending		
	30.6.2025	30.6.2024	31.12.2024
Group growth			
Percent change in net commercial/sales floor space	17.1%	6.2%	11.5%
Percent change in same store sales (%)	(3.1%)	33.7%	22.5%

3.2.2 Retail food

Sales turnover amounted to NIS 1,639 million in the reporting period, as compared with NIS 1,602 million in the corresponding period of the previous year, an increase of 2.3%. Sales turnover in the second quarter of 2025 amounted to NIS 840 million, compared with NIS 812 million in the corresponding period of the previous year, an increase of approximately 3.4%.

Sales in same stores in this segment that were fully operational during the reporting period and in the second quarter of 2025 (including stores converted to Carrefour) increased by approximately 3.4% and 4.9%, respectively, compared with the corresponding period of the previous year.

Average sales per square metre in the reporting period amounted to NIS 30,579, as compared with average of NIS 29,568 per square metre in the corresponding period of the previous year, an increase of 3.4%. Average sales per square metre in the second quarter of 2025 amounted to NIS 31,504, as compared with average of NIS 30,022 per square metre in the corresponding period of the previous year, an increase of 4.9%.

Segmental income amounted to NIS 85 million in the reporting period, reflecting 5.2% of revenue turnover, as compared with segmental income of NIS 34 million, reflecting 2.1% of revenue turnover, in the corresponding period of the previous year. Segmental income amounted to NIS 43 million in the in the second quarter of 2025, reflecting 5.1% of revenue turnover, as compared with segmental income of NIS 30 million, reflecting 3.8% of revenue turnover, in the corresponding period of the previous year.

The improvement in segmental income compared to the corresponding periods of the previous year derived primarily from increased sales in stores that had been converted to the Carrefour brand, the disposal of 5 stores in the reporting period, and as a result of streamlining segmental expenses.

As of the reporting date, Global Retail has completed the conversion programme and as of today, 148 stores are operating under the Carrefour brand.

The retail food segment continued to show growth in EBITDA net of IFRS 16 in the second quarter and in the first half of 2025, amounting to EBITDA net of IFRS 16 of NIS 35 million and NIS 66 million, respectively, compared with EBITDA net of IFRS 16 of NIS 21 million and NIS 27 million in the corresponding periods of the previous year, respectively.

In the second quarter of 2025, Global Retail Group (retail food segment, excluding excess cost adjustments and segmental adjustments) **reported operating profit of**

NIS 52 million and net income of NIS 5 million, compared with operating profit of NIS 30 million and a loss of NIS 17 million in the corresponding period of the previous year, respectively. (At the retail food segment level, segmental income totalled NIS 43 million, as noted, and loss amounted to NIS 1.5 million, compared with segmental profit of NIS 30 million, as noted, and a loss of NIS 19 million in the corresponding quarter of the previous year, respectively.)

Retail Food - in NIS millions		4-6/2025	4-6/2024	31.12.2024
General data				
Number of directly operated stores		146 ²	149	148
Commercial space, gross (m ²)		170,189	169,036	170,513
Commercial space, net (m ²)		111,846	111,555	112,033
Human capital	Stores	3,957	4,267	4,305
	Other	64	85	73
Results of operations				
Revenues	Directly operated	835	800	3,296
	Other income	5	12	41
Cost of sale	Variable costs	595	560	2,321
Rent (according to gross commercial space as indicated above)	After applying IFRS 16 (*)	3	4	14
	Without application of IFRS 16	62	61	248
Total salary costs attributed to retail operations employees (including contract worker expenses)		118	116	471
Depreciation expenses after application of IFRS 16		60	57	241
Operating profit		43	24	108
Operational working capital (shortfall) (**)		(505)	(404)	(515)
Redemption and sales data				
Annual income per square metre (in NIS)		31,504	29,733	29,466
Change in income from same store sales (%)		4.9%	6.33%	5.7%

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

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

Changes	For the quarter ending		
	30.6.2025	30.6.2024	31.12.2024
Group growth			
Percent change in net commercial/sales floor space	0.26%	(1.98%)	(0.5%)
Percent change in same store sales (%)	4.9%	6.33%	5.7%

² As of the report approval date, the Global Retail group has 148 stores.

3.2.3 Sports and leisure

Sales turnover amounted to NIS 234 million in the reporting period, as compared with NIS 227 million in the parallel period of the previous year, reflecting an increase of 3.0%. Sales turnover amounted to NIS 100 million in the second quarter of 2025, as compared with NIS 103 million in the parallel period of the previous year, reflecting a decrease of 3.4%. **In July 2025, the segment's revenues returned to growth compared with July of the previous year.**

The increase in the segment's sales in the reporting period was mainly attributable to an increase in revenues of Sa'ar amounting to NIS 9 million, primarily in the retail sector, to growth in sales per square metre, and to growth in same store sales, notwithstanding the closure of stores during Operation Rising Lion, partially offset by a decrease in revenues of Adidas amounting to NIS 2 million, primarily as a result of lower revenues in June 2025 due to the closure of stores during Operation Rising Lion. (See section 7.5 below).

Sales of same stores in the segment, that were fully operational in the first half of 2025, increased by approximately 1.8% compared with the corresponding period of the previous year. Sales of same stores in the segment that were fully operational in the second quarter of 2025 decreased by approximately 8.3% compared with the corresponding period of the previous year.

Sales of same stores in the segment that were fully operational in the first half of 2025, excluding 12 days during which the stores were closed as a result of Operation Rising Lion, **increased** by approximately **7.9%** compared with the corresponding period of the previous year.

Sales of same stores in the segment that were fully operational in the second quarter of 2025, excluding 12 days during which the stores were closed as a result of Operation Rising Lion, **increased** by approximately **5.1%** compared with the corresponding period of the previous year.

Sales per square metre in same stores amounted, in the reporting period, to a monthly average of NIS 1,330 per square metre, compared with NIS 1,308 per square metre in the corresponding period of the previous year, and in the second quarter of 2025 to a monthly average of NIS 1,102 per square metre, compared with NIS 1,202 per square metre in the corresponding period of the previous year.

Segmental income amounted to NIS 13 million in the reporting period, reflecting 5.5% of revenue turnover, as compared with segmental income of NIS 16 million,

reflecting 7.0% of revenue turnover in the corresponding period of the previous year. Segmental loss in the second quarter of 2025 amounted to NIS 5 million, compared with a profit of NIS 3 million in the corresponding period of the previous year. The decrease in segmental income was mainly due to the impact of Operation Rising Lion, which led to the closure of stores during June 2025. (See Section 7.5 below).

It should be clarified that the financial data for the month of July are the Company's management estimates and have not been reviewed and/or audited by the Company's external auditor.

Sports and Leisure - in NIS millions		4-6/2025	4-6/2024	31.12.2024
General data				
Number of directly operated stores		100 ³	97	97
Commercial space, gross (m ²)		30,360	28,566	28,619
Commercial space, net (m ²)		23,492	21,641	22,221
Human capital	Stores	694	691	707
	Other	83	99	74
Results of operations				
Revenues	Directly operated	85	88	420
	Wholesale	15	15	90
Cost of sale	Variable costs	46	45	224
Rent (according to gross commercial space as indicated above)	After applying IFRS 16 (*)	7	7	25
	Without application of IFRS 16	22	18	85
Total salary costs attributed to retail operations employees (including contract worker expenses)		15	15	61
Depreciation expenses after application of IFRS 16		17	15	63
Segmental income (loss)		(5)	3	48
Operational working capital (**)		108	138	143
Redemption and sales data				
Revenues per m ² - monthly average in NIS thousands		1.1	1.0	1.4
Change in income from same store sales (%)		(8.3%)	21%	29%

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

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

Changes	For the quarter ending		
	30.6.2025	30.6.2024	31.12.2024
Group growth			
Percent change in net commercial/sales floor space	8.6%	49%	(5%)
Change in income from same store sales (%)	(8.3%)	21%	29%

³ As of the report approval date, the sports and leisure segment has 105 stores.

Sales by same stores in the segment that were fully operational in the second quarter of 2025, excluding 12 days during which the stores were closed as a result of Operation Rising Lion, increased by approximately 5.1% compared with the corresponding period of the previous year.

3.2.4 Electrical consumer products

Sales turnover amounted to NIS 502 million in the reporting period, as compared with NIS 511 million in the parallel period of the previous year, reflecting a decrease of 1.7%. Sales turnover in the second quarter of 2025 amounted to NIS 256 million, compared with NIS 253 million in the corresponding period of the previous year, reflecting an increase of approximately 1.3%.

The decrease in revenues in the reporting period compared with the corresponding period of the previous year was mainly attributable to a decline in revenues in the brand trading sector, primarily as a result of the effects of Operation Rising Lion, partially offset by an increase in revenue turnover in the air-conditioning sector in the local market. The increase in revenues in the second quarter of 2025, compared with the corresponding period of the previous year, was mainly attributable to growth in revenues in the air-conditioning sector in the local market, primarily as a result of a change in the sales mix, partially offset by a decrease in revenue turnover in the brand trading sector, mainly due to the impact of Operation Rising Lion. (See section 7.5 below)

Segmental income amounted to NIS 34 million in the reporting period, as compared with NIS 32 million in the corresponding period of the previous year. Segmental income amounted to NIS 9 million in the second quarter of 2025, as compared with NIS 8 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 7 million in the reporting period and in the corresponding period of the previous year. Sales turnover in the second quarter of 2025 and in the corresponding period of the previous year amounted to NIS 4 million and NIS 3 million, respectively.

Segmental income amounted to NIS 66 million in the reporting period, as compared with segmental income of NIS 4 million in the corresponding period of the previous year. Segmental income amounted to NIS 33 million in the second quarter of 2025, as compared with segmental income of NIS 2 million in the corresponding period of the previous year.

The increase in segmental profit in the reporting period and in the second quarter of 2025 was due to the fair value adjustment of the investment property owned by the Company. See Note 4C to the interim consolidated financial statements and sections 7.6 and 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)

	January-June 2025		January-June 2024		January-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	228	173	125	82	324	224
Finance expenses, net	(116)	(40)	(114)	(56)	(237)	(101)
Profit before taxes on income	112	133	11	26	87	123
Taxes on income	(28)	(28)	(14)	(14)	(31)	(31)
Net income (loss) from continuing operations	84	105	(3)	12	56	92
Loss from discontinued operations	(34)	(34)	(3)	(3)	(22)	(22)
Net income (loss)	50	71	(6)	9	34	70
Net income attributed to Company shareholders	51	56	19	26	52	69
EBITDA	348	161	305	131	691	323

	April-June 2025		April-June 2024	
	As reported	Net of the effect of IFRS 16	As reported	Net of the effect of IFRS 16
Operating profit	93	66	61	37
Finance expenses, net	(54)	(16)	(64)	(29)
Profit before taxes on income	39	50	(3)	8
Taxes on income	(14)	(14)	(3)	(3)
Net income (loss) from continuing operations	25	36	(6)	5
Loss from discontinued operations	*)	*)	(3)	(3)
Net income (loss)	25	36	(9)	2
Net income attributed to Company shareholders	30	32	*)	6
EBITDA	158	63	147	59

*) Amount less than NIS 1 million.

4. Impact of the implementation of International Financial Reporting Standard No. 16 – Leases (continued)

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

	For the six months ended 30 June		For the three months ended 30 June		For the year ended 31 December
	2025	2024	2025	2024	2024
	NIS millions				
Operating profit as reported	228	125	93	61	324
Additional rental expenses resulting from the neutralisation of the effects of the application of IFRS 16	(187)	(174)	(95)	(88)	(368)
Net of depreciation effects - IFRS 16	133	132	69	64	268
Net of other income due to contract reductions	(1)	(1)	(1)	-	-
Operating profit net of effect of IFRS 16	173	82	66	37	224
Net of effects of finance expenses when applying IFRS 16	76	59	39	35	136
EBITDA as reported	348	305	158	147	691
Inclusion of rent expenses	187	174	95	88	368
EBITDA net of effects of IFRS 16	161	131	63	59	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 30 June 2025	As at 31 December 2024	The Board's Explanations
In Millions NIS			
Current assets	2,260	2,345	The decrease was mainly attributable to a reduction in short-term deposits of NIS 275 million and to a decrease in cash and cash equivalents, partially offset primarily by an increase in inventory of NIS 202 million, mainly in the electrical retail segment due to higher activity volumes and stocking of air-conditioners ahead of the summer season, and by an increase in trade receivables and debit balances.
Non-current assets	5,805	5,659	The increase was mainly attributable to growth in investment property of NIS 62 million as a result of a revaluation during the reporting period, and to an increase of NIS 62 million in property, plant, and equipment, primarily due to continued investment in the conversion of Carrefour stores and the opening of new stores, as well as to an increase in right-of-use assets, partially offset by a decrease in intangible assets and in goodwill.
Current liabilities	3,573	3,382	The increase was mainly attributable to an increase of NIS 138 million in credit from banks and other institutions and to an increase of NIS 72 million in trade payables, primarily as a result of inventory stocking, as noted above, partially offset by a decrease in other payables and credit balances.
Non-current liabilities	3,447	3,589	The decrease was mainly attributable to a reduction in loans from banks and other institutions in the sum of NIS 170 million, primarily as a result of the early repayment of long-term loans and in other liabilities as a result of the rescission of the Reality transaction, offset in part by an increase in other liabilities.
Equity	1,045	1,033	The increase was primarily due to a total comprehensive income of NIS 50 million, partially offset by a dividend of NIS 40 million distributed to the Company's shareholders.
Financial debt, net	3,848	3,475	The increase was mainly attributable to investments in property, plant and equipment and in investment property totalling NIS 167 million, to a dividend of NIS 40 million, to an increase in lease liabilities, and to a change in working capital.
Net financial debt, net of IFRS 16	1,138	832	The increase was mainly attributable to investments in investment real estate, plant, and equipment, to payment of a dividend, and to a change in working capital.

5.2 Segmental assets and liabilities

	30 June 2025					
	NIS millions					
	Electrical consumer products segment	Electrical retail segment	Retail food segment	Sports and leisure segment	Investme nt real estate, adjustme nts, and other segment	Total
Current assets	979	814	520	248	(301)	2,260
Non-current assets	296	542	4,000	516	451	5,805
Current liabilities	665	1,298	1,554	248	(192)	3,573
Non-current liabilities	134	306	2,584	273	150	3,447
Financial asset (debt), net	(147)	(403)	(2,502)	(354)	(442)	(3,848)
Financial asset (debt), net (net of IFRS 16)	(123)	(131)	(405)	(37)	(442)	(1,138)

	31 December 2024					
	NIS millions					
	Electrical consumer products segment	Electrical retail segment	Retail food segment	Sports and leisure segment	Investme nt real estate, adjustme nts, 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	1-6/2025 NIS millions	1-6/2024 NIS millions	The Board's Explanations
Net cash generated by (used for) financing activities	2	54	Net cash that derived from current operations amounted to NIS 2 million in the reporting period, as compared with NIS 54 million in the previous year. The decrease in cash flows from operating activities was mainly attributable to changes in working capital items compared with the corresponding period of the previous year, partially offset by income in the reporting period compared with a loss in the corresponding period of the previous year.
Net cash generated by (used for) investment activities	155	(386)	Net cash provided by investing activities in the reporting period was mainly attributable to proceeds from short-term deposits and from the realisation of investments in securities totalling NIS 265 million, and to proceeds from the realisation of stores and property, plant and equipment totalling NIS 34 million in the retail food segment, partially offset by investments in the acquisition of property, plant and equipment and other assets, mainly in the retail food segment, totalling NIS 133 million, and by investment in investment property under construction totalling NIS 12 million.
Net cash from (used for) finance activities	(216)	155	Net cash used in financing activities during the reporting period was primarily applied to the repayment of long-term loans from banks in the amount of NIS 297 million, the repayment of lease liabilities in the amount of NIS 111 million, the payment of dividends to the Company's shareholders in the amount of NIS 40 million, and the repayment of an advance on account of investment property in the amount of NIS 31 million. These outflows were partially offset by proceeds from long-term loans from banks in the amount of NIS 57 million in the retail food segment and by proceeds from short-term credit from banks in the amount of NIS 208 million.
Total cash decrease	(59)	(177)	

6.2. Working capital shortfall

As at 30 June 2025, the Group listed in its interim consolidated financial statements, negative working capital (net) (current assets less current liabilities) of NIS 1,313 million and a negative working capital (net) - which characterises retail operations such as the Company's - of NIS 108 million. As of the same date, the Company had negative working capital (net) (current assets less current liabilities) in the amount of NIS 60 million, as well as negative operating working capital, according to the Company's separate (solo) financial

information, in the amount of NIS 12 million.

Net of the food segment, the Group has negative working capital (net) (current assets less current liabilities) in the sum of NIS 279 million, and positive operating working capital (net) in the sum of NIS 494 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 Reports Regulations. See Note 4I 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) and Note 10B 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 On 26 May 2025, the Israel Securities Authority announced its decision to extend the period for the Company's securities offering pursuant to the corporation's shelf prospectus dated 31 May 2023 until 30 May 2026.

7.5 The Iron Swords War and Operation Rising Lion

During the course of the second 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

On 13 June 2025, the State of Israel launched Operation Rising Lion, a large-scale military operation by the State of Israel against Iran, during which Iran launched

ballistic missiles and other weapons that caused casualties and damage to infrastructure and property. The operation led to a slowdown and disruption in business activity in the Israeli economy, including the introduction of an airspace closure policy. During Operation Rising Lion, the Group's stores in the sports and leisure segment, as well as the duty-free stores, were closed. The closure of the stores and the special situation on the home front led to a decrease in revenue and in segmental income in the sports and leisure segment, to a decrease in revenue and in segmental income in the duty-free stores and in the electrical retail segment, and to a decrease in revenue in the brand commerce in the electrical consumer products segment.

7.6 Investment property and investment property under construction

On 24 June 2025, the Company signed an agreement to cancel a transaction from July 2021 for the purchase by Reality Real Estate Investment Fund 4, Limited Partnership, of half of the Company's rights in parcel 16, which as of that date had not yet been completed. In exchange, the Company refunded the advance it had received, plus the agreed interest and reimbursement of expenses, in a total amount of approximately NIS 31 million. In addition, the parties agreed that the Company would purchase from Reality its share (50%) in parcels 15 and 75 in block 5032 (adjacent to the aforementioned parcel), so that the Company would hold full rights in the said parcels, in exchange for total consideration of approximately NIS 66.8 million.

See Note 4(c) to the interim consolidated financial statements for additional details. For further details regarding the said agreements, including obtaining approvals from a bank corporation, see the Company's immediate reports dated 22 and 24 June 2025 (Reference Nos.: 2025-01-044264 and 2025-01-044847).

7.7 The Company's rating

On 7 August 2025, S&P Global Ratings Maalot Ltd. ("Maalot") affirmed the Company's rating of (ilAA-) and determined that the rating outlook is stable. Maalot also affirmed the Company's bonds (Series A) rating of (ilAA-) and assigned the Company a short-term issuer rating of (ilA-1+).

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

In the first half of 2025, the consumer price index increased by 2.1%. As of the reporting date, the Bank of Israel interest rate stands at 4.5%, following the Bank of Israel's most recent decision in which it left the rate unchanged.

The Company has long-term liabilities to banks and other corporations in the sum of NIS 428 million, which are linked to the prime rate (of which, NIS 425 million is attributed to Global Retail Group), and short-term liabilities to banks in the sum of NIS 476 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 26 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.

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.

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

7.10 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.

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 ended 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. For further details, see the Company's immediate report dated 27 May 2025 (Reference No.: 2025-01-037409).

- B. On 26 May 2025, the Company's board of directors approved an additional plan to buy back up to NIS 100 million of Company bonds for a period of 3 years that ends on 25 May 2028. During the reporting period, the Company did not purchase its bonds under the above plan. For further details, see the Company's immediate report dated 27 May 2025 (Reference No.: 2025-01-037410).

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 30 June 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 30 June 2025, the Company has a very substantial valuation of investment property that it owns:

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 full value of the interests in the real estate known as the "Electra" complex in Rishon Le'Zion
Timing of the valuation:	30 June 2025
Value of the subject of the valuation that was determined pursuant to the valuation:	Approximately NIS 390 million (100%)
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 additional uses and a change in the mix of areas (which had been approved in previous plans for the complex) for industrial storage, in addition to the currently approved uses: offices, high-tech industry, clean industry, commerce (on the first two floors only), restaurants and snack bars, event halls, cultural and entertainment buildings, 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.

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

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 30 June 2025:

Security	Balance of the par value of the security in circulation (in NIS millions)		Financial benchmark	Actual benchmark as at 30.6.2025
	As at 30 June 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 661 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%.	14.54%

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

Bonds (Series A)⁽¹⁾		
Disclosure item		Details about the bonds (Series A)
3.	Par value balance as at 30 June 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 30 June 2025	- ⁽⁴⁾
7.	The value of the bonds' balance as included in the Company's financial statements as at 30 June 2025	NIS 470 million
8.	Stock market value as at 25 August 2025	NIS 462.2 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.
15.	Guarantee for payment of the Company's obligations pursuant to the Trust Deed	None
16.	Commitment not to create security interests	The Company undertook on a "solo" basis not to create a floating charge over all of its present and future assets, property, and rights, as they may be from time to time, in favour of any third party to secure its obligations thereto, in an amount exceeding NIS 650 million.
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. See Section 15 above. 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

Bonds (Series A)⁽¹⁾		
Disclosure item		Details about the bonds (Series A)
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	S&P Global Ratings 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 2025) ⁽⁵⁾
4.	Additional ratings between the date of issue and the reporting date	'ilAA-' (August, September, and December 2022, August 2023, January 2024, and August 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 of 26 August 2025 is NIS 1.61 million.
- (5) For details regarding the Company's most recent bond (Series A) rating report as of the date of publication of the report, see Maalot's immediate report dated 7 August 2025 (Reference No.: 2025-15-058788), incorporated herein by reference.

17. Linkage-Bases Report as at 30 June 2025 (in NIS millions)

	Dollars	Euro	Total foreign currency	Unlinked	Linked	Non- monetary	Total
Assets							
Cash and cash equivalents	38	18	56	171	7	-	234
Short-term investments	-	-	-	1	-	-	1
Trade receivables	1	12	13	711	-	-	724
Other receivables	5	32	37	59	6	21	123
Inventory	-	-	-	-	-	1,178	1,178
Long-term trade and other receivables	-	-	-	30	3	-	33
Investment property	-	-	-	-	-	390	390
Investment property under construction	-	-	-	-	-	51	51
Property, plant, and equipment, net	-	-	-	-	-	843	843
Right-of-use assets, land	-	-	-	-	-	63	63
Right-of-use assets, other	-	-	-	-	-	2,365	2,365
Goodwill	-	-	-	-	-	1,918	1,918
Intangible assets	-	-	-	-	-	116	116
Deferred taxes	-	-	-	-	-	26	26
Total assets	44	62	106	972	16	6,971	8,065
Liabilities							
Credit from banks and others	-	-	-	583	-	-	583
Current maturities of bonds	-	-	-	75	-	-	75
Current maturities of lease liabilities	-	-	-	-	233	-	233
Trade payables	238	56	294	1,716	-	-	2,010
Other payables	-	18	18	335	24	295	672
Loans from banks and others	-	-	-	320	-	-	320
Bonds/debentures	-	-	-	395	-	-	395
Lease liabilities	-	-	-	-	2,477	-	2,477
Other non-current liabilities	-	1	1	61	-	111	173
Employee benefit liabilities, net	-	-	-	-	-	33	33
Deferred taxes	-	-	-	-	-	49	49
Total liabilities	238	75	313	3,485	2,734	488	7,020
Balance of the exposure of assets (liabilities) to results	(194)	(13)	(207)	(2,513)	(2,718)	6,483	1,045

Daniel Salkind
Chair of the Board of Directors

Zvika Schwimmer
Chief Executive Officer

Date: 26 August 2025

Consolidated Statements of Financial Position

	As at 30 June		As at
	2025	2024	31 December
	Unaudited		2024
			Audited
	NIS millions		
<u>Current assets</u>			
Cash and cash equivalents	234	199	293
Short-term deposits and investments	1	362	276
Trade receivables	724	733	712
Other receivables	123	107	88
Inventory	1,178	1,148	976
	2,260	2,549	2,345
<u>Non-current assets</u>			
Long-term trade and other receivables	33	5	32
Investment in companies treated at equity	-	11	-
Investment property	390	328	328
Investment property under construction	51	53	51
Property, plant, and equipment, net	843	703	781
Right of use assets, land	63	64	63
Right of use assets, other	2,365	2,306	2,309
Goodwill	1,918	1,935	1,935
Intangible assets	116	139	132
Deferred taxes	26	30	28
	5,805	5,574	5,659
	8,065	8,123	8,004

Consolidated Statements of Financial Position

	As at 30 June		As at
	2025	2024	31 December
	Unaudited		2024
			Audited
	NIS millions		
<u>Current liabilities</u>			
Credit from banks and others	583	481	445
Current maturities of bonds	75	74	74
Current maturities of lease liabilities	233	214	225
Trade payables	2,010	1,949	1,938
Other payables	672	648	700
	<u>3,573</u>	<u>3,366</u>	<u>3,382</u>
<u>Non-current liabilities</u>			
Loans from banks and others	320	581	490
Bonds/debentures	395	470	392
Lease liabilities	2,477	2,398	2,418
Other liabilities	173	225	216
Employee benefit liabilities, net	33	33	34
Deferred taxes	49	40	39
	<u>3,447</u>	<u>3,747</u>	<u>3,589</u>
<u>Equity</u>			
Equity attributed to Company shareholders	661	623	650
Non-controlling interests	384	387	383
<u>Total equity</u>	<u>1,045</u>	<u>1,010</u>	<u>1,033</u>
	<u>8,065</u>	<u>8,123</u>	<u>8,004</u>

26 August 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 and Other Comprehensive Income

	For the six months ended at 30 June		For the three months ended at 30 June		For the year ended at 31 December
	2025	**) 2024	2025	**) 2024	**) 2024
	Unaudited				Audited
	NIS millions				
Revenues from sales and provision of services	3,549	3,443	1,793	1,733	7,256
Cost of sales and provision of services	(2,500)	*) (2,443)	(1,284)	*) (1,230)	*) (5,146)
Gross profit	1,049	1,000	509	503	2,110
Selling and marketing expenses	(839)	*) (824)	(422)	*) (418)	*) (1,694)
Administrative and general expenses	(56)	(52)	(27)	(28)	(102)
Research and development expenses	(1)	(2)	(1)	(1)	(2)
Group's share in losses of companies treated at equity, net	-	(1)	-	-	(1)
Operating profit before reorganization income (expenses), net, and reorganisation income (expenses)	153	121	59	56	311
Other income (expenses), net	75	(2)	34	4	14
Reorganisation income (expenses)	-	6	-	1	(1)
Operating profit after other income (expenses), net, and reorganisation income (expenses)	228	125	93	61	324
Finance income	4	10	2	6	19
Finance expenses	(120)	(124)	(56)	(70)	(256)
Profit (loss) before taxes on income	112	11	39	(3)	87
Taxes on income	(28)	(14)	(14)	(3)	(31)
Net income (loss) from continuing operations	84	(3)	25	(6)	56
Loss from discontinued operations *)	(34)	(3)	***)	(3)	(22)
Net income (loss)	<u>50</u>	<u>(6)</u>	<u>25</u>	<u>(9)</u>	<u>34</u>
Net income (loss) attributed to:					
Company shareholders	51	19	30	***)	52
Non-controlling interests	(1)	(25)	(5)	(9)	(18)
	<u>50</u>	<u>(6)</u>	<u>25</u>	<u>(9)</u>	<u>34</u>
Basic net earnings (loss) per share attributable to the Company's shareholders (NIS)					
Profit (loss) from continuing operations	3.69	0.91	1.35	0.10	3.07
Loss from discontinued operations	(1.48)	(0.10)	(0.02)	(0.09)	(0.82)
	<u>2.21</u>	<u>0.81</u>	<u>1.33</u>	<u>0.01</u>	<u>2.25</u>

Consolidated Statements of Profit and Loss and Other Comprehensive Income

	For the six months ended at 30 June		For the three months ended at 30 June		For the year ended at 31 December
	2025	**) 2024	2025	**) 2024	**) 2024
	Unaudited				Audited
	NIS millions				
<u>Diluted net earnings (loss) per share</u> <u>attributable to the Company's</u> <u>shareholders (NIS)</u>					
Profit (loss) from continuing operations	3.69	0.90	1.35	0.09	3.06
Loss from discontinued operations	(1.48)	(0.10)	(0.02)	(0.09)	(0.82)
	<u>2.21</u>	<u>0.80</u>	<u>1.33</u>	<u>-</u>	<u>2.24</u>

*) Reclassified.

**) Reclassified with respect to discontinued operations.

***) Amount less than NIS 1 million.

Consolidated Statements of Profit and Loss and Other Comprehensive Income

	For the six months ended at 30 June		For the three months ended at 30 June		For the year ended at 31 December
	2025	2024	2025	2024	2024
	Unaudited				Audited
	NIS millions				
Net income (loss)	50	(6)	25	(9)	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>					
Income with respect to cash flow hedging transactions	-	2	-	1	2
Total other comprehensive income	-	2	-	1	-
Total comprehensive income (loss)	50	(4)	25	(8)	34
<u>Comprehensive income (loss) attributable to:</u>					
Company shareholders	51	21	30	1	53
Non-controlling interests	(1)	(25)	(5)	(9)	(19)
	50	(4)	25	(8)	34

Consolidated Statements of Changes in Equity

	Attributed to Company shareholders											
	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	Retained earnings	Total	Non-controlling interests	Total equity	
	Unaudited											
	NIS millions											
Balance as at 1 January 2025 (audited)	75	559	(150)	4	(54)	9	(4)	211	650	383	1,033	
Total comprehensive income (loss)	-	-	-	-	-	-	-	51	51	(1)	50	
Cost of share-based payments	-	-	-	-	-	2	-	-	2	-	2	
Dividends paid to Company shareholders	-	-	-	-	-	-	-	(40)	(40)	-	(40)	
Exercise of warrants	*)	1	-	-	-	(1)	-	-	*)	-	*)	
Transaction with holders of non-controlling interests	-	-	-	-	(2)	-	-	-	(2)	2	-	
Balance as at 30 June 2025	75	560	(150)	4	(56)	10	(4)	222	661	384	1,045	

*) Amount less than NIS 1 million.

Consolidated Statements of Changes in Equity

	Attributed to Company shareholders												
	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	Non-controlling interests	Total equity	
	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)	-	-	-	-	-	-	-	2	19	21	(25)	(4)	
Cost of share-based payments	-	-	-	-	-	2	-	-	-	2	1	3	
Buyback of Company shares	-	-	(15)	-	-	-	-	-	-	(15)	-	(15)	
Exercise of warrants	*)	2	-	-	-	(2)	-	-	-	*)	-	*)	
Transaction with holders of non-controlling interests	-	-	-	-	(17)	-	-	-	-	(17)	41	24	
Balance as at 30 June 2024	75	556	(147)	4	(52)	12	(3)	-	178	623	387	1,010	

*) Amount less than NIS 1 million.

Consolidated Statements of Changes in Equity

	Attributed to Company shareholders											
	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	Retained earnings	Total	Non-controlling interests	Total equity	
	Unaudited											
	NIS millions											
Balance as at 1 April 2025	75	559	(150)	4	(55)	10	(4)	192	631	388	1,019	
Total comprehensive income (loss)	-	-	-	-	-	-	-	30	30	(5)	25	
Cost of share-based payments	-	-	-	-	-	1	-	-	1	-	1	
Exercise of warrants	*)	1	-	-	-	(1)	-	-	*)	-	*)	
Transaction with holders of non-controlling interests	-	-	-	-	(1)	-	-	-	(1)	1	-	
Balance as at 30 June 2025	75	560	(150)	4	(56)	10	(4)	222	661	384	1,045	

*) 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		
	Unaudited											
	NIS millions											
<u>Balance as at 1 April 2024</u>	75	555	(136)	4	(49)	12	(3)	(1)	178	635	397	1,032
Total comprehensive income (loss)	-	-	-	-	-	-	-	1	*)	1	(9)	(8)
Cost of share-based payments	-	-	-	-	-	1	-	-	-	1	1	2
Buyback of Company shares	-	-	(11)	-	-	-	-	-	-	(11)	-	(11)
Exercise of warrants	*)	1	-	-	-	(1)	-	-	-	*)	-	*)
Transaction with holders of non-controlling interests	-	-	-	-	(3)	-	-	-	-	(3)	(2)	(5)
<u>Balance as at 30 June 2024</u>	<u>75</u>	<u>556</u>	<u>(147)</u>	<u>4</u>	<u>(52)</u>	<u>12</u>	<u>(3)</u>	<u>-</u>	<u>178</u>	<u>623</u>	<u>387</u>	<u>1,010</u>

*) 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.

Electra Consumer Products (1970) Ltd.

Consolidated Statements of Cash Flows

	For the six months ended at 30 June		For the three months ended at 30 June		For the year ended at 31 December
	2025	2024	2025	2024	2024
	Unaudited				Audited
	NIS millions				
Cash Flows from Current Operations					
Net income (loss)	50	(6)	25	(9)	34
Adjustments required for presenting cash flows from current operations:					
Adjustments to profit and loss items:					
Depreciation and amortisation	202	189	100	93	386
Impairment of intangible assets	11	-	-	-	-
Impairment (increase) in fair value of investment property and investment property under construction	(65)	2	(35)	1	4
Cost of share-based payment	2	3	1	2	3
Capital loss (gain) from disposal of stores and property, plant, and equipment	(16)	(1)	(10)	-	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 the equity method, net	-	1	-	-	1
Deferred taxes, net	13	(3)	8	(5)	(3)
Change in employee benefit liabilities, net	(1)	(1)	(1)	(1)	(2)
Change in provision for impairment of property, plant, and equipment and right of use assets	(1)	(6)	(1)	-	1
Other adjustments	10	(8)	1	(6)	(6)
	155	176	63	84	395
Changes in assets and liabilities items:					
Increase in trade receivables (including long-term receivables)	(16)	(83)	(6)	(6)	(77)
Increase in other receivables	(36)	(20)	(9)	(5)	(7)
Increase in inventory	(202)	(176)	(47)	(70)	(4)
Increase (decrease) in trade payables	73	145	(72)	(11)	120
Increase (decrease) in other payables	(22)	18	(53)	(32)	98
	(203)	(116)	(187)	(124)	130
Net cash from (used for) current operations	2	54	(99)	(49)	559

Consolidated Statements of Changes in Cash Flows

	For the six months ended at 30 June		For the three months ended at 30 June		For the year ended at 31 December
	2025	2024	2025	2024	2024
	Unaudited				Audited
	NIS millions				
<u>Cash flow from investment activities</u>					
Acquisition of property, plant, and equipment	(126)	(101)	(53)	(58)	(222)
Purchase of intangible assets	(7)	**) (2)	(4)	**) (1)	(5)
Investment property under construction	(10)	-	(10)	-	-
Capitalisation of costs recognised in investment property and investment property under construction	(2)	(1)	(1)	-	(2)
Proceeds from disposal of stores and property, plant, and equipment	34	9	17	-	10
Proceeds from (investment in) short-term deposits, net	250	(236)	-	-	(150)
Proceeds from (investment in) marketable securities, net	15	(14)	-	1	(16)
Other investments, net	1	-	1	-	(16)
Deferred payment for acquired operations	-	(41)	-	-	(48)
Net cash from (used for) investment operations	155	(386)	(50)	(58)	(449)
<u>Cash flows from finance activities</u>					
Issue of share capital	*)	*)	*)	*)	-
Dividends paid to Company shareholders	(40)	-	(40)	-	-
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 loans from banks and others	57	30	10	15	30
Repayment of long-term loans from banks and others	(297)	(59)	(25)	(38)	(141)
Buyback of Company shares	-	(15)	-	(11)	(18)
Issuance of equity in consolidated company to holders of non-controlling interests	-	78	-	-	78
Payment for Carrefour franchise	(2)	**) (32)	(2)	**) (32)	(44)
Buyback of shares from holder of non-controlling interests	-	(18)	-	(5)	(18)
Return of advance payment for investment property	(31)	-	(31)	-	-
Payment of lease liabilities	(111)	(114)	(54)	(49)	(226)
Short-term bank credit, net	208	107	204	206	62

Consolidated Statements of Changes in Cash Flows

	For the six months ended		For the three months		For the year
	at 30 June		ended		ended at
	2025	2024	2025	2024	31 December
	Unaudited				2024
	NIS millions				Audited
Net cash from (used for) finance activities	(216)	155	62	86	(193)
Decrease in cash and cash equivalents	(59)	(177)	(87)	(21)	(83)
Balance of cash and cash equivalents at beginning of period	293	376	321	220	376
Balance of cash and cash equivalents at end of the period	234	199	234	199	293

*) Amount less than NIS 1 million.

**) Reclassified.

Consolidated Statements of Changes in Cash Flows

	For the six months ended at 30 June		For the three months ended at 30 June		For the year ended at 31 December
	2025	2024	2025	2024	2024
	Unaudited				Audited
	NIS millions				
(A) <u>Significant non-cash activities</u>					
Acquisition of property, plant, and equipment using credit	41	35	6	10	50
Increase in right of use asset against lease liabilities	256	816	188	151	1,040
Transaction with holders of non- controlling interests	-	53	-	-	53
Proceeds from non-cash sale of a store	-	-	-	-	5
Growth of franchise asset against liability	-	1	-	1	-
(B) <u>Additional information on cash flows</u>					
Cash paid over the course of the period for:					
Interest	124	114	75	65	252
Taxes on income	20	26	6	7	44
Cash received over the course of the period for:					
Interest	10	9	1	4	12
Taxes on income	10	1	3	-	3

