



Financial Statements as of 30 September 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 September 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

₪1.07B

Total company equity

iAA-

S&P Rating

139K

Credit card Carrefour Club holders

₪551M

EBITDA in the reporting period

7K

Number of employees

₪5.6B

Revenues in the reporting period

1.1B

Financial debt (net of IFRS 16)

351

Branches

₪80M

Dividends declared and paid

Sports and Leisure Segment

106

Number of branches

 Columbia

branches 26  branches 40

 Outsiders

branches 14  branches 19

 BOARDERLINE

branches 3  branches 4

sq.m 32K

Commercial space

0.8%

Percent change in same stores in the reporting period



149

Number of branches



sq.m 181K

Commercial space

0.7%

Percent change in same stores in the reporting period



96

Number of branches

 Machson Hashmal

branches 71

 Duty Free

branches 2

 Makro

branches 23

sq.m 56K

Commercial space

2.3%

Percent change in same stores in the reporting period



Electra Consumer Products (1970) Ltd.

Board of Directors Report

For the Nine Months Ended 30 September 2025

The board of directors of Electra Consumer Products (1970) Ltd. respectfully submits the Board of Directors Report on the business affairs of the Company and its consolidated companies (hereinafter: the "**Group**") for the nine-month and three-month periods ended 30 September 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 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 (hereinafter: "**Global Retail**"), 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	1-9/2025 NIS millions	1-9/2024 NIS millions**)	The Board's Explanations
Revenues from sales and provision of services	5,574	5,382	The Group's revenues increased by 3.6% compared with the corresponding period of the previous year. The increase in revenues was driven mainly by higher revenues in the electrical retail segment and the sports and leisure segment, partially offset by a decrease in sales in the electrical consumer products segment. See Section 3 below.
Gross profit	1,638	*) 1,565	The increase in gross profit was driven mainly by an improvement in gross profit in the food retail 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 due to cost efficiencies, mainly in the food retail segment.
Gross profit %	29.4%	29.1%	The increase was due to an improvement in gross profit margins across most operating segments.
Selling and marketing expenses	(1,300)	*) (1,269)	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 retail food segment, primarily as a result of streamlining.
Administrative and general expenses	(81)	(81)	Unchanged.
Research and development expenses	-	(3)	No significant change.
Group's share in losses of companies treated according to the equity method, net	-	(1)	No significant change.
Operating income before other income and reorganisation	257	211	
Operating profit % before other income (expenses) and reorganisation	4.6%	3.9%	
Other income, net	72	9	See section 2.3 below for details.
Reorganisation revenues	-	6	The previous year's reorganisation income was derived from the retail food segment.
Operating profit	329	226	
Operating profit %	5.9%	4.2%	
Finance expenses, net	(185)	(175)	The increase was driven mainly by higher finance expenses under IFRS 16, resulting from the extension of lease agreements primarily in the food retail segment; by an increase in finance expenses for short-term credit; and by a decrease in income from deposits, partially offset by foreign-exchange income and by a reduction in interest expenses following the early repayment of long-term loans.
Profit before taxes on income	144	51	
Taxes on income	(24)	(23)	No significant change.
Net profit from continuing operations	120	28	
Loss from discontinued operations **)	(38)	(7)	Was driven mainly by discontinued operations resulting from the reduction of heat-pump production lines; see Note 5B to the consolidated interim financial statements.
Net profit	82	21	
Net profit %	1.5%	0.4%	
Net profit attributed to Company shareholders	81	49	
Net profit from ongoing operations attributed to Company shareholders	119	56	
EBITDA	551	489	
EBITDA net of effects of IFRS 16	267	224	

*) Reclassified.

**) Reclassified due to discontinued operations; see Note 5 to the consolidated interim financial statements (heat-pump production-line operations).

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

Item	7-9/2025 NIS millions	7-9/2024 NIS millions**)	The Board's Explanations
Revenues from sales and provision of services	2,025	1,939	The Group's revenues increased by 4.4% compared with the corresponding quarter last year. The increase in revenues was driven mainly by higher revenues in the electrical retail segment and the sports and leisure segment, partially offset by a decrease in sales in the food retail segment, primarily due to lower same-store sales. See Section 3 below.
Gross profit	589	*) 565	The increase in gross profit was driven mainly by higher gross profit in the electrical retail segment, the electrical consumer products segment, and the sports and leisure segment, primarily as a result of the increase in revenue turnover as noted above and an improvement in the gross profit margin, mainly in the electrical consumer products segment and the electrical retail segment. This was partially offset by a decrease in gross profit in the food retail segment, primarily due to lower same-store sales as noted above.
Gross profit %	29.1%	29.1%	
Selling and marketing expenses	(460)	*) (445)	The increase was driven mainly by growth in the electrical retail segment as a result of higher sales turnover and the opening of new stores, and by growth in the electrical consumer products segment. It was partially offset primarily by a decrease in selling and marketing expenses in the food retail segment, mainly due to the efficiency measures noted above.
Administrative and general expenses	(25)	(29)	The decrease in general and administrative expenses was driven mainly by the food retail segment, primarily due to the efficiency measures noted above, as well as 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)	No significant change.
Operating profit before other income (expenses)	104	90	
Operating profit % before other income (expenses)	5.1%	4.7%	
Other income (expenses), net	(3)	12	See section 2.3 below for details.
Operating profit	101	102	
Operating profit %	5.0%	5.3%	
Finance expenses, net	(68)	(62)	The increase was driven mainly by higher finance expenses under IFRS 16, higher foreign-exchange expenses, and a decrease in income from deposits, partially offset by a reduction in interest expenses following the early repayment of long-term loans.
Profit before taxes on income	33	40	
Tax benefit (taxes on income)	3	(9)	The decrease in tax expenses was driven mainly by the first-time recognition of carryforward losses in the food retail segment.
Net profit from continuing operations	36	31	
Loss from discontinued operations	(4)	(4)	Was driven mainly by discontinued operations resulting from the reduction of heat-pump production lines; see Note 5B to the consolidated interim financial statements.
Net profit	32	27	
Net profit %	1.6%	1.4%	
Net profit attributed to Company shareholders	30	30	
Net profit from ongoing operations attributed to Company shareholders	34	34	
EBITDA	203	184	
EBITDA net of effects of IFRS 16	106	93	

*) Reclassified.

**) Reclassified due to discontinued operations; see Note 5 to the consolidated interim financial statements (heat-pump production-line operations).

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

	For the nine months ended September 30		For the three months ended September 30	
	2025	2024	2025	2024
	NIS millions		NIS millions	
Increase (decrease) in the fair value of investment	65	(2)	(1)	(1)
Capital gain from disposal of stores and property, plant, and	17	1	1	-
Transaction costs and consulting expenses for previous years	-	(5)	-	-
Revenues (expenses) from lawsuits	(8)	13	(3)	12
Capital gain from disposal of an investee	-	1	-	1
Iron Swords War grant	2	4	2	1
Other	(4)	**) (3)	(2)	**) (1)
Total	72	9	(3)	12

*) See Section 7.5 and Note 4C to the consolidated interim financial statements.

**) Reclassified due to discontinued operations; see Note 5 to the consolidated interim financial statements (heat-pump production-line operations).

3. Report on business segments

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

For the nine months ended 30 September 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	812	2,023	2,491	364	10	(126)	5,574
Segmental income (loss)	60	85	126	22	69	(3)	359
% of revenues	7.4%	4.2%	5.0%	6.0%	-	-	6.4%
Unallocated shared expenses							(30)
Operating profit							329
EBITDA	78	131	293	69	9	(29)	551
EBITDA net of IFRS 16	72	92	105	20	9	(31)	267

For the nine months ended 30 September 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	818	1,858	2,492	344	10	(140)	5,382
Segmental income (loss)	60	91	82	19	7	(3)	256
% of revenues	7.3%	4.9%	3.3%	5.7%	-	-	4.8%
Unallocated shared expenses							(30)
Operating profit							226
EBITDA	75	130	242	64	10	(32)	489
EBITDA net of IFRS 16	72	96	61	19	10	(34)	224

*) Reclassified due to discontinued operations; see Note 5 to the consolidated interim financial statements (heat-pump production-line operations).

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

3. Report on business segments (continued)

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

For the three months ended 30 September 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	310	780	852	130	3	(50)	2,025
Segmental income (loss)	26	35	40	9	3	(2)	111
% of revenues	8.4%	4.5%	4.7%	6.8%	-	-	5.4%
Unallocated shared expenses							(10)
Operating profit							101
EBITDA	32	51	103	24	3	(10)	203
EBITDA net of IFRS 16	30	38	39	7	3	(11)	106

For the three months ended 30 September 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	307	678	890	117	3	(56)	1,939
Segmental income	28	32	48	3	3	***)	114
% of revenues	9.1%	4.8%	5.4%	3.0%	-	-	5.8%
Unallocated shared expenses							(12)
Operating profit							102
EBITDA	31	45	97	19	3	(11)	184
EBITDA net of IFRS 16	30	34	34	3	3	(11)	93

*) Reclassified due to discontinued operations; see Note 5 to the consolidated interim financial statements (heat-pump production-line operations).

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

***) Amount less than NIS 1 million.

3.2 Explanation of the data that appear in the table

3.2.1 Electrical retail

Sales turnover amounted to NIS 2,023 million in the reporting period, as compared with NIS 1,858 million in the corresponding period of the previous year, which constitutes an increase of 8.9%. Sales turnover amounted to NIS 780 million in the third quarter of 2025, as compared with NIS 678 million in the parallel period of the previous year, reflecting **an increase of 15%**.

The increase in sales in the reporting period was driven by higher sales in the new stores, higher same-store sales, growth in online sales, and increased sales in the duty-free stores compared with the corresponding period of the previous year. The increase in sales in the third quarter of 2025, compared with the corresponding period of the previous year, was driven by higher sales in new stores, higher same-store sales, growth in online sales, and increased sales at Shekem Duty.

Sales in same stores in the electrical retail segment that operated throughout the reporting period and the third quarter of 2025 increased by approximately 2.3% and 9.6%, respectively, compared with the corresponding period of the previous year.

Sales per square metre in same stores amounted, in the reporting period, to NIS 5,251 per sq.m on a monthly average, compared with NIS 5,278 per sq.m in the corresponding period of the previous year; and in the third quarter of 2025, to NIS 6,719 per sq.m on a monthly average, compared with NIS 6,158 per sq.m in the corresponding period of the previous year.

Segmental income amounted to NIS 85 million in the reporting period, representing approximately 4.2% of turnover, compared with NIS 91 million in the corresponding period of the previous year, representing approximately 4.9% of turnover. Segmental income in the third quarter of 2025 amounted to NIS 35 million, representing approximately 4.5% of turnover, compared with NIS 32 million in the corresponding period of the previous year, representing approximately 4.8% of turnover. The decrease in segmental income in the reporting period was driven mainly by higher labour expenses, rent, and branch maintenance costs, resulting from the opening of nine new stores. The increase in segmental income in the third quarter of 2025 was driven mainly by higher same-store sales and increased sales in new stores.

Electrical Retail (in NIS millions)		7-9/2025	7-9/2024	31.12.2024
General data				
Number of franchise stores		1	1	1
Number of directly-operated stores		95 ¹	85	86
Commercial space, gross (m ²)		55,458	50,380	51,228
Commercial space, net (m ²)		37,658	33,672	34,172
Human capital	Stores	990	974	1,061
	Other	191	153	129
Results of operations				
Revenues	Directly operated	780	678	2,550
Cost of sale	Variable costs	599	523	1,963
Rent (according to gross commercial space as indicated above)	After applying IFRS 16 (*)	17	11	33
	Without application of IFRS 16	29	23	78
Total salary costs attributed to retail operations employees (including contract worker expenses)		68	58	225
Depreciation expenses after application of IFRS 16		16	13	54
Segmental income		35	32	113
Operational working capital (deficit) (**)		(154)	(236)	(260)
Redemption and sales data				
Revenues per m ² - monthly average in NIS thousands		6.7	6.2	5.9
Change in income from same store sales (%)		9.6%	16.8%	22.5%

(*) 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 on		For the year ended
	30.9.2025	30.9.2024	31.12.2024
Group growth			
Percent change in net commercial/sales floor space	11.8%	9.9%	11.5%
Percent change in same store sales (%)	9.6%	16.8%	22.5%

¹ As of the report approval date, the electrical retail segment has 96 stores.

3.2.2 Retail food

Sales turnover amounted to NIS 2,491 million in the reporting period, as compared with NIS 2,492 million in the corresponding period of the previous year. Sales turnover in the third quarter of 2025 amounted to NIS 852 million, compared with NIS 890 million in the corresponding period of the previous year, a decrease of approximately 4.3%. The decrease in sales turnover in the third quarter of 2025 was driven mainly by lower same-store sales, a decrease in institutional-market sales from the stores, store closures, and the sale of eight stores.

Sales in same stores in this segment that operated throughout the reporting period increased by approximately 0.7% compared with the corresponding period of the previous year.

Sales in same stores that operated throughout the third quarter of 2025 decreased by approximately 5.7% compared with the corresponding period of the previous year, mainly due to the timing of the holidays during the workweek, which left fewer working days in the quarter; a decrease in institutional-market sales from the stores; and an increase in outbound travel following the end of the war.

Average sales per square metre in the reporting period amounted to NIS 30,508, as compared with average of NIS 30,295 per square metre in the corresponding period of the previous year, an increase of 0.7%. Sales per square metre in the third quarter of 2025 amounted to NIS 30,258 per sq.m on average, compared with NIS 32,086 per sq.m on average in the corresponding period of the previous year, a decrease of approximately 5.7%.

Operating profit before other income, net, amounted to NIS 115 million in the reporting period, compared with NIS 67 million in the corresponding period of the previous year, representing an increase of 71.5%. Operating profit before other income (expenses), net, amounted to NIS 43 million in the third quarter of 2025, compared with NIS 38 million in the corresponding quarter of the previous year, representing an increase of 12.4%.

Segmental income amounted to NIS 126 million in the reporting period, representing 5.0% of revenues, compared with segmental income of NIS 82 million, representing 3.3% of revenues, in the corresponding period of the previous year. Segmental income amounted to NIS 40 million in the third quarter of 2025, reflecting 4.7% of revenue turnover, as compared with segmental income of NIS 48 million, reflecting 5.4% of revenue turnover, in the corresponding period of the previous year. The improvement in segmental income in the reporting period, compared with the

corresponding period of the previous year, was driven mainly by higher sales in stores converted to the Carrefour brand, by the sale of seven stores during the reporting period, and by efficiency measures in the segment's expenses. The decrease in segmental income in the third quarter of 2025 was driven mainly by the decrease in sales as noted above.

As at the reporting date, Global Retail had completed the store-conversion programme, and as at the date of publication of the report, 149 stores were operating under the Carrefour brand.

The food retail segment continues to show growth in EBITDA excluding IFRS 16 in the third quarter and in the first nine months of 2025, amounting to positive EBITDA excluding IFRS 16 of NIS 39 million and NIS 105 million, respectively, compared with positive EBITDA excluding IFRS 16 of NIS 34 million and NIS 61 million in the corresponding periods of the previous year, respectively.

In the third quarter of 2025, Global Retail (the food retail segment excluding excess-cost adjustments and segmental adjustments) reported **operating profit before other items of NIS 45.6 million and net profit of NIS 5 million** (for the first time, in the third quarter of 2025, Global Retail recognised a deferred tax asset following an expectation of future taxable income), compared with operating profit before other items of NIS 40.3 million and net profit of NIS 0.6 million in the corresponding quarter of the previous year, respectively. (At the food retail segment level, net profit in the third quarter of 2025 amounted to NIS 5.3 million, compared with a loss of NIS 5.3 million in the corresponding quarter of the previous year; and in the reporting period, net profit amounted to NIS 4.2 million, compared with a loss of NIS 62.1 million in the corresponding period of the previous year.)

Retail Food (in NIS millions)		7-9/2025	7-9/2024	31.12.2024
General data				
Number of directly-operated stores		150 ²	149	148
Commercial space, gross (m ²)		181,376	171,420	170,513
Commercial space, net (m ²)		119,594	112,740	112,033
Human capital	Stores	3,435	4,446	4,305
	Other	63	83	73
Results of operations				
Revenues	Directly operated	840	882	3,296
	Other income (expenses)	12	9	41
Cost of sale	Variable costs	591	609	2,321
Rent (according to gross commercial space as indicated above)	After applying IFRS 16 (*)	2	2	14
	Without application of IFRS 16	62	63	248
Total salary costs attributed to retail operations employees (including contract worker expenses)		117	121	471
Depreciation expenses after application of IFRS 16		59	59	241
Operating profit (****)		43	38	108
Operational working capital (deficit) (**) (***)		(544)	(478)	(515)
Redemption and sales data				
Annual revenues per square metre (in NIS)		30,258	32,086	29,466
Change in income from same store sales (%)		(5.7%)	6.24%	5.7%

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

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

(****) Before other income (expenses) and reorganisation.

Changes	For the quarter ending on		For the year ended
	30.9.2025	30.9.2024	31.12.2024
Group growth			
Percent change in net commercial/sales floor space	6.1%	(0.51%)	(0.5%)
Percent change in same store sales (%)	(5.7%)	6.24%	5.7%

3.2.3 Sports and leisure

Sales turnover in the reporting period amounted to NIS 364 million, compared with NIS 344 million in the corresponding period of the previous year, representing an increase of 5.7%. Sales turnover in the third quarter of 2025 amounted to NIS 130 million, compared with NIS 117 million in the corresponding period of the previous year, representing an increase of 11.1%.

The increase in segment sales in the reporting period was driven mainly by higher revenues at Sa'ar of NIS 22 million, primarily in retail sales, mainly from the opening

² As of the report approval date, the Global Retail group has 149 stores.

of new stores, higher sales per square metre, and higher same-store sales, as well as growth in wholesale sales. This was offset by a decrease in revenues at Adidas of NIS 2 million, primarily due to lower revenues in June 2025 resulting from store closures during "Operation Rising Lion" (see Section 7.7 below). The increase in sales in the third quarter of 2025 was driven mainly by higher revenues at Sa'ar, primarily in retail sales, as a result of the opening of new stores, higher sales per square metre, higher same-store sales, and growth in wholesale sales.

The sales in the same stores in the segment that fully operated in the reporting period increased by 0.8% compared to the corresponding period of the previous year. Sales in same stores in the segment that operated throughout the third 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 NIS 1,312 per sq.m on a monthly average, compared with NIS 1,301 per sq.m in the corresponding period of the previous year; and in the third quarter of 2025, to NIS 1,296 per sq.m on a monthly average, compared with NIS 1,310 per sq.m in the corresponding period of the previous year.

Segmental income amounted to NIS 22 million in the reporting period, representing approximately 6.0% of revenues, compared with segmental income of NIS 19 million, representing approximately 5.7% of revenues, in the corresponding period of the previous year. Segmental income in the third quarter of 2025 amounted to NIS 9 million, representing approximately 6.8% of revenues, compared with NIS 3 million in the corresponding period of the previous year, representing approximately 3.0% of revenues. The improvement in segmental income in the third quarter of the year was driven mainly by higher sales turnover and by an improvement in selling and marketing expenses relative to turnover compared with the corresponding quarter of the previous year.

Sports and Leisure (in NIS millions)		7-9/2025	7-9/2024	31.12.2024
General data				
Number of directly-operated stores		105 ³	98	97
Commercial space, gross (m ²)		31,750	28,840	28,619
Commercial space, net (m ²)		24,398	21,820	22,221
Human capital	Stores	714	658	707
	Other	107	96	74
Results of operations				
Revenues	Directly operated	104	98	420
	Wholesale	26	19	90
Cost of sale	Variable costs	60	53	224
Rent (according to gross commercial space as indicated above)	After applying IFRS 16 (*)	7	8	25
	Without application of IFRS 16	23	23	85
Total salary costs attributed to retail operations employees (including contract worker expenses)		17	17	61
Depreciation expenses after application of IFRS 16		14	16	63
Segmental income		9	3	48
Operational working capital (**)		133	127	143
Redemption and sales data				
Revenues per m ² - monthly average in NIS thousands		1.3	1.3	1.4
Change in income from same store sales (%)		(1.0%)	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 on		For the year ended
	30.9.2025	30.9.2024	31.12.2024
Group growth			
Percent change in net commercial/sales floor space	12%	48%	(5%)
Change in income from same store sales (%)	(1.0%)	21%	29%

³ As of the report approval date, the sports and leisure segment has 106 stores.

3.2.4 Electrical consumer products

Sales turnover in the reporting period amounted to NIS 812 million, compared with NIS 818 million in the corresponding period of the previous year, representing a decrease of 0.7%. Sales turnover in the third quarter of 2025 amounted to NIS 310 million, compared with NIS 307 million in the corresponding period of the previous year, representing an increase of 1.0%.

The decrease in revenues in the reporting period, compared with the corresponding period of the previous year, was driven mainly by lower revenues in brand trading, primarily as a result of the effects of “Operation Rising Lion” in June 2025 (see Section 7.8 below), and was partially offset by an increase in sales turnover in the local air-conditioner market. In the third quarter of 2025, the segment recorded an increase in revenues in brand trading and in climate-system operations compared with the corresponding quarter of the previous year.

Segmental income amounted to NIS 60 million in both the reporting period and the corresponding period of the previous year. Segmental income in the third quarter of 2025 amounted to NIS 26 million, compared with NIS 28 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.

For details regarding the engagement of a wholly owned subsidiary of the Company with Samsung under a (non-exclusive) agreement for the distribution of Samsung air-conditioning solutions in Israel – Samsung AC products – see Note 10(f) to the consolidated interim financial statements.

3.2.5 Investment property

Sales turnover amounted to NIS 10 million in the reporting period, as compared with NIS 10 million in the corresponding period of the previous year. Sales turnover in the third quarter of 2025 and in the corresponding period of the previous year amounted to NIS 3 million.

Segmental income amounted to NIS 69 million in the reporting period, as compared with segmental income of NIS 7 million in the corresponding period of the previous year. Segmental income amounted to NIS 3 million the third quarter of 2025, as compared with segmental income of NIS 3 million in the corresponding period of the previous year.

The increase in segmental income in the reporting period was driven by the fair-value adjustment of the Company's investment property. See Note 4C to the interim consolidated financial statements and section 7.5 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-September 2025		January-September 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	329	247	226	158	324	224
Finance expenses, net	(185)	(69)	(175)	(80)	(237)	(101)
Profit before taxes on income	144	178	51	78	87	123
Taxes on income	(24)	(24)	(23)	(23)	(31)	(31)
Net profit from continuing operations	120	154	28	55	56	92
Loss from discontinued operations	(38)	(38)	(7)	(7)	(22)	(22)
Net profit	82	116	21	48	34	70
Net income attributed to Company shareholders						
	81	92	49	62	52	69
EBITDA	551	267	489	224	691	323

	July-September 2025		July-September 2024	
	As reported	Net of the effect of IFRS 16	As reported	Net of the effect of IFRS 16
Operating profit	101	74	102	76
Finance expenses, net	(68)	(29)	(62)	(24)
Profit before taxes on income	33	45	40	52
Tax benefit (taxes on income)	3	3	(9)	(9)
Net profit from continuing operations	36	48	31	43
Loss from discontinued operations	(4)	(4)	(4)	(4)
Net profit	32	44	27	39
Net income attributed to Company shareholders				
	30	36	30	36
EBITDA	203	106	184	93

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 nine months ended 30 September		For the three months ended at 30 September		For the year ended 31 December
	2025	2024	2025	2024	2024
	NIS millions				
Operating profit as reported	329	226	101	102	324
Additional rental expenses resulting from the neutralisation of the effects of the application of IFRS 16	(284)	(265)	(97)	(91)	(368)
Elimination of IFRS 16 depreciation effects	203	198	70	65	268
Net of other income due to contract reductions	(1)	(1)	-	-	-
Operating profit net of effect of IFRS 16	247	158	74	76	224
Net of effects of finance expenses when applying IFRS 16	116	96	41	38	136
EBITDA as reported	551	489	203	184	691
Inclusion of rent expenses	284	265	97	91	368
EBITDA net of effects of IFRS 16	267	224	106	93	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 September 2025	As at 31 December 2024	The Board's Explanations
In Millions NIS			
Current assets	2,226	2,345	The decrease was driven mainly by a reduction in short-term deposit balances of NIS 276 million and by a decrease in cash and cash equivalents, partially offset primarily by an increase in inventory of NIS 128 million, mainly in the electrical retail segment due to higher activity levels, stocking ahead of Black Friday promotions, and the opening of new stores; as well as increases in the food retail segment and in the sports and leisure segment as a result of seasonality, and increases in customers and in trade receivables and debit balances.
Non-current assets	5,885	5,659	The increase was driven mainly by an increase of NIS 62 million in investment property as a result of a fair-value remeasurement in the reporting period; by an increase of NIS 83 million in property, plant and equipment, primarily due to continued investment in Carrefour stores and the opening of new stores; and by an increase in right-of-use assets, partially offset by a decrease in intangible assets and in goodwill.
Current liabilities	3,563	3,382	The increase was mainly attributable to an increase of NIS 133 million in credit from banks and other institutions and to an increase of NIS 77 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	3,483	3,589	The decrease was mainly attributable to a reduction in loans from banks and other institutions in the sum of NIS 197 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	1,065	1,033	The increase was primarily due to a total comprehensive income of NIS 82 million, partially offset by a dividend of NIS 40 million distributed to the Company's shareholders.
Financial debt, net	3,907	3,475	The increase was mainly attributable to investments in property, plant and equipment and in investment property totalling NIS 212 million, to a dividend of NIS 40 million, to an increase in lease liabilities, and to changes in working capital.
Net financial debt excluding IFRS 16	1,135	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 September 2025					
	NIS millions					
	Electrical consumer products segment	Electrical retail segment	Retail food segment	Sports and leisure segment	Investment real estate, adjustments, and other segment	Total
Current assets	921	839	542	273	(349)	2,226
Non-current assets	291	535	4,099	508	452	5,885
Current liabilities	597	1,316	1,618	270	(238)	3,563
Non-current liabilities	132	297	2,633	266	155	3,483
Financial debt, net	(170)	(345)	(2,582)	(371)	(439)	(3,907)
Net financial debt excluding IFRS 16	(146)	(82)	(407)	(61)	(439)	(1,135)

	31 December 2024					
	NIS millions					
	Electrical consumer products segment	Electrical retail segment	Retail food segment	Sports and leisure segment	Investment real estate, 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 debt, net	(40)	(259)	(2,504)	(321)	(351)	(3,475)
Net financial debt excluding 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	1-9/2025 NIS millions	1-9/2024 NIS millions	The Board's Explanations
Net cash generated by (used for) financing activities	105	214	Net cash that derived from current operations amounted to NIS 105 million in the reporting period, as compared with NIS 214 million in the previous year. The decrease in cash flows from operating activities was driven mainly by changes in working-capital items compared with the corresponding period of the previous year, principally in inventory as a result of higher activity levels, and was partially offset by an increase in profit in the reporting period compared with the previous year.
Net cash generated by (used for) investment activities	117	(358)	Net cash generated from investing activities in the reporting period was driven mainly by proceeds from short-term deposits and from the realisation of an investment in securities in the amount of NIS 265 million, and by proceeds of NIS 40 million from the sale of stores and property, plant and equipment, mainly in the food retail segment. These were partially offset by investment in the purchase of property, plant and equipment and other assets, mainly in the food retail segment, in the amount of NIS 177 million, and by investment in investment property and in investment property under construction in the amount of NIS 13 million.
Net cash from (used for) finance activities	(308)	79	Net cash used in financing activities in the reporting period was applied mainly to the repayment of long-term loans from banking and other institutions in the amount of NIS 322 million; the repayment of lease liabilities in the amount of NIS 167 million; the payment of a dividend to the Company's shareholders in the amount of NIS 40 million; and the return of an advance on account of investment property in the amount of NIS 31 million. These were partially offset by the receipt of long-term loans from banking institutions in the amount of NIS 57 million in the food retail segment and by the receipt of short-term credit from banking institutions, net, in the amount of NIS 201 million.
Total cash decrease	(86)	(65)	

6.2. Working capital deficit

As at 30 September 2025, the Group had negative working capital (net) (current assets less current liabilities) of NIS 1,337 million in its consolidated interim financial statements, and negative operating working capital in its consolidated interim financial statements, which is characteristic of retail operations such as those of the Company, of NIS 123 million. In addition, as at that date, the Company had negative working capital (net) (current assets less current liabilities) of NIS 60 million, and negative operating working capital, according to the Company's separate (solo) financial information, of NIS 10 million.

Excluding the food retail segment, the Group had negative working capital (net) (current

assets less current liabilities) of NIS 261 million, and positive operating working capital of NIS 528 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 consolidated interim financial statements for additional details.

7. Significant events during and after the reporting period

7.1 Dividend

- A. 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.
- B. On 26 November 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 record date and the ex-date are 4 December 2025, and the payment date is 11 December 2025.

7.2 Matters pertaining to the Global Retail Group

- A. Further to the disclosure in Section 9.18.3 of Chapter A of the Company's annual report for 2024 regarding a claim filed by Mr Nahum and Mrs Nurit Bitan and corporations under their control against the Company, alleging breaches of agreements entered into with them, on 1 October 2025 an interim arbitration award was delivered to the parties, the main terms of which are set out in Note 6(c) to the consolidated interim financial statements.
- B. During the reporting period, Global Retail commenced a capital-raising process. As at the date of approval of these consolidated interim financial statements, Global Retail continues to pursue this matter.
- C. For details regarding other matters related to Global Retail, see Note 4(a) to the consolidated interim financial statements.

7.3 Further to Note 26(e) 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 under the corporation's shelf prospectus dated 31 May 2023, until 30 May 2026.

7.5 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 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 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).

7.6 The Company's rating

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

7.7 Commercial paper ("Na'am")

- A. On 28 October 2025, the Company issued commercial paper (Series 1) ("Na'am") with a nominal value of NIS 150 million, registered in the name of the holder, repayable (principal and interest) in a single payment on 27 October 2026, with an additional four possible extension periods up to 22 October 2030. The Na'am bears a variable annual interest rate based on the Bank of Israel interest rate, plus a margin reflecting the Company's risk.
- B. On 23 October 2025, S&P Global Ratings Maalot Ltd. ("Maalot") assigned a rating of (i)A-1+) to the Company's issuance of Na'am (Series 1).

7.8 The Iron Swords War and Operation Rising Lion

During third quarter 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.

As at the date of publication of the report, an agreement to cease hostilities in Gaza had been signed.

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. In the second quarter of 2025, 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 in the duty-free stores and in segmental income in the electrical retail segment, and to a decrease in revenue in brand trading in the electrical consumer products segment, in the second quarter of the year, as noted above.

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

In the first nine months of 2025, the Consumer Price Index increased by 2.95%. As at the reporting date, the Bank of Israel interest rate stands at 4.25%, in accordance with the decision of the Bank of Israel's Monetary Committee dated 24 November 2025 to reduce the interest rate by 0.25%.

The Company has long-term liabilities to banks and other corporations in the sum of NIS 402 million, which are linked to the prime rate (of which, NIS 399 million is attributed to Global Retail Group), and short-term liabilities to banks in the sum of NIS 468 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 46 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.

Nevertheless, in the Company's assessment, the Group's financial resilience, together with its cash balances and the strong ongoing cash flows it generates, will enable 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 changes in the inflation rate and in the interest rate constitute "forward-looking information," as defined in the Securities Law, 1968. These assessments are based, *inter alia*, on the information available to the Company as of the reporting date, the Company's estimates taking into account 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 may not materialise, or may materialise differently, in whole or in part, including materially, due to factors beyond the Company's control and/or known to it as at the reporting date, developments in the Company's business environment, and/or the materialisation of all or part of the risk factors described in Section 27 of Part A of the Company's 2024 periodic report.

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

7.11 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.

8. Buyback Plan

- A. On 26 May 2025, the Company's Board of Directors approved a programme for the repurchase of the Company's shares in an amount of up to NIS 100 million, replacing the previous share repurchase programme approved on 10 August 2022, for the period from 10 August 2025 through 9 August 2028. These purchases shall take place from time to time on various dates and in various volumes according to Company management's discretion and market opportunities. During the reporting period and up to the date of publication of the report, the Company purchased, under the share repurchase programme from August 2025, 27,941 ordinary shares of the Company, with a par value of NIS 1 each, for total consideration of NIS 3.1 million.
- 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 September 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 September 2025, the Company holds a highly material valuation of investment property owned by it, known as the "Electra" complex in Rishon LeZion, which is valid as at 30 June 2025. More than ninety (90) days have elapsed from the valuation date that served as the basis for determining the value of the property and up to the reporting date. In the Company's assessment, and for the purpose of determining the amounts presented in its financial statements as at 30 September 2025, no changes have occurred since the valuation date that would materially affect the conclusions of the valuation. For details regarding the most recent valuation of the aforementioned property (as at 30 June 2025), see Appendix A attached to the Company's second-quarter report for 2025, as published on 27 August 2025 (reference number: 2025-01-064014), and the valuation attached to that report, which are incorporated herein by reference.

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 is accurate as at 30 September 2025:

Security	Balance of the par value of the security in circulation (in NIS millions)		Financial benchmark	Actual benchmark as at 30.9.2025
	As at 30 September 2025	Immediately prior to reporting date		
(Series A) Bonds/Debentures	492	492	<u>Tangible equity</u> – 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 677 million
			<u>Ratio of net financial debt to net balance sheet</u> – 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%.	14.36%

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 30 September 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 September 2025	NIS 2.58 million ⁽⁴⁾
7.	The value of the bonds' balance as included in the Company's financial statements as at 30 September 2025	NIS 472 million
8.	Market value as at 25 November 2025	NIS 469.7 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 has been paid, as applicable) in equal amounts semi-annually on 30 September and 31 December in each of the years 2022 through 2029 (inclusive) such that the first interest payment was on 30 September 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.

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. 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	
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	'iIAA-' (January and February 2022)	
3. Rating on the report publication date	'iIAA-' (August 2025) ⁽⁵⁾	
4. Additional ratings between the date of issue and the reporting date	'iIAA-' (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 November 2025 is NIS 4.22 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 September 2025 (in NIS millions)

	Dollar	Euro	Total foreign currency	Unlinked	Linked	Non- monetary	Total
Assets							
Cash and cash equivalents	35	34	69	131	7	-	207
Trade receivables	2	10	12	776	-	-	788
Other receivables	5	34	39	63	6	19	127
Inventory	-	-	-	-	-	1,104	1,104
Long-term trade and other receivables	-	-	-	30	2	-	32
Investment property	-	-	-	-	-	390	390
Investment property under construction	-	-	-	-	-	51	51
Property, plant, and equipment, net	-	-	-	-	-	864	864
Right-of-use assets, land	-	-	-	-	-	63	63
Right-of-use assets, other	-	-	-	-	-	2,416	2,416
Goodwill	-	-	-	-	-	1,918	1,918
Intangible assets	-	-	-	-	-	114	114
Deferred taxes	-	-	-	-	-	37	37
Total assets	42	78	120	1,000	15	6,976	8,111
Liabilities							
Credit from banks and others	-	-	-	578	-	-	578
Current maturities of bonds	-	-	-	75	-	-	75
Current maturities of lease liabilities	-	-	-	-	232	-	232
Trade payables	138	61	199	1,816	-	-	2,015
Other payables	-	16	16	340	26	281	663
Loans from banks and others	-	-	-	293	-	-	293
Bonds/debentures	-	-	-	397	-	-	397
Lease liabilities	-	-	-	-	2,540	-	2,540
Other non-current liabilities	-	-	-	60	-	111	171
Employee benefit liabilities, net	-	-	-	-	-	34	34
Deferred taxes	-	-	-	-	-	48	48
Total liabilities	138	77	215	3,559	2,798	474	7,046
Balance of the exposure of assets (liabilities) to results	(96)	1	(95)	(2,559)	(2,783)	6,502	1,065

Daniel Salkind
Chair of the Board of Directors

Zvika Schwimmer
Chief Executive Officer

Date: 26 November 2025

Consolidated Statements of Financial Position

	As at 30 September		As at 31 December
	2025	2024	2024
	Unaudited		Audited
	NIS millions		
<u>Current assets</u>			
Cash and cash equivalents	207	311	293
Short-term deposits and investments	-	273	276
Trade receivables	788	776	712
Other receivables	127	89	88
Inventory	1,104	1,016	976
	2,226	2,465	2,345
<u>Non-current assets</u>			
Long-term trade and other receivables	32	8	32
Investment in companies treated at equity	-	13	-
Investment property	390	328	328
Investment property under construction	51	53	51
Property, plant, and equipment, net	864	738	781
Right of use assets, land	63	63	63
Right-of-use assets, other	2,416	2,335	2,309
Goodwill	1,918	1,935	1,935
Intangible assets	114	133	132
Deferred taxes	37	27	28
	5,885	5,633	5,659
	8,111	8,098	8,004

Consolidated Statements of Financial Position

	As at 31 December		
	As at 30 September		2024
	2025	2024	2024
	Unaudited		
	NIS millions		
Current liabilities			
Credit from banks and others	578	510	445
Current maturities of bonds	75	74	74
Current maturities of lease liabilities	232	223	225
Trade payables	2,015	1,874	1,938
Other payables	663	658	700
	<u>3,563</u>	<u>3,339</u>	<u>3,382</u>
Non-current liabilities			
Loans from banks and others	293	536	490
Bonds/debentures	397	472	392
Lease liabilities	2,540	2,423	2,418
Other liabilities	171	224	216
Employee benefit liabilities, net	34	34	34
Deferred taxes	48	40	39
	<u>3,483</u>	<u>3,729</u>	<u>3,589</u>
Equity			
Equity attributed to Company shareholders	678	650	650
Non-controlling interests	387	380	383
Total equity	1,065	1,030	1,033
	<u>8,111</u>	<u>8,098</u>	<u>8,004</u>

26 November 2025

Date of approval of the financial statements

Daniel 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 nine months ended 30 September		For the three months ended at 30 September		For the year ended 31 December
	2025	**) 2024	2025	**) 2024	**) 2024
	Unaudited				Audited
NIS millions					
Revenues from sales and provision of services	5,574	5,382	2,025	1,939	7,256
Cost of sales and provision of services	(3,936)	*) (3,817)	(1,436)	*) (1,374)	*) (5,146)
Gross profit	1,638	1,565	589	565	2,110
Selling and marketing expenses	(1,300)	*) (1,269)	(460)	*) (445)	*) (1,694)
Administrative and general expenses	(81)	(81)	(25)	(29)	(102)
Research and development expenses	-	(3)	-	(1)	(2)
Group's share in losses of companies treated at equity, net	-	(1)	-	-	(1)
Operating profit before other income (expenses), net, and reorganization income (expenses)	257	211	104	90	311
Other income (expenses), net	72	9	(3)	12	14
Reorganisation income (expenses)	-	6	-	-	(1)
Operating profit after other income (expenses), net, and reorganisation income (expenses)	329	226	101	102	324
Finance income	5	12	1	2	19
Finance expenses	(190)	(187)	(69)	(64)	(256)
Profit before income taxes	144	51	33	40	87
Tax benefit (taxes on income)	(24)	(23)	3	(9)	(31)
Net income from continuing operations	120	28	36	31	56
Loss from discontinued operations *)	(38)	(7)	(4)	(4)	(22)
Net profit	82	21	32	27	34
Net profit (loss) attributed to:					
Company shareholders	81	49	30	30	52
Non-controlling interests	1	(28)	2	(3)	(18)
	82	21	32	27	34
Basic earnings (loss) per share attributable to the Company's shareholders (NIS)					
Profit from continuing operations	5.12	2.30	1.43	1.40	3.07
Loss from discontinued operations	(1.63)	(0.19)	(0.15)	(0.09)	(0.82)
	3.49	2.11	1.28	1.31	2.25
Diluted earnings (loss) per share attributable to the Company's shareholders (NIS)					
Profit from continuing operations	5.11	2.29	1.42	1.39	3.06
Loss from discontinued operations	(1.63)	(0.19)	(0.15)	(0.09)	(0.82)
	3.48	2.10	1.27	1.30	2.24

*) Reclassified.

**) Reclassified with respect to discontinued operations.

Consolidated Statements of Profit and Loss and Other Comprehensive Income

	For the nine months ended 30 September		For the three months ended at 30 September		For the year ended 31 December	
	2025	2024	2025	2024	2024	
	Unaudited					Audited
						NIS millions
Net profit	82	21	32	27	27	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	-	2	-	-	-	2
Total other comprehensive income	-	2	-	-	-	-
Total comprehensive income	<u>82</u>	<u>23</u>	<u>32</u>	<u>27</u>	<u>27</u>	<u>34</u>
<u>Comprehensive income (loss) attributable to:</u>						
Company shareholders	81	51	30	30	53	
Non-controlling interests	1	(28)	2	(3)	(19)	
	<u>82</u>	<u>23</u>	<u>32</u>	<u>27</u>	<u>27</u>	<u>34</u>

Consolidated Statements of Changes in Equity

	Attributed to Company 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 defined benefit plans		Retained earnings	Total	Non-controlling interests
	Share capital	Share premium	Treasury shares	controlling shareholders					Unaudited		Total equity
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	-	-	-	-	-	-	-	81	81	1	82
Cost of share-based payments	-	-	-	-	-	3	-	-	3	-	3
Dividends paid to Company shareholders	-	-	-	-	-	-	-	(40)	(40)	-	(40)
Exercise of warrants	(*)	1	-	-	-	(1)	-	-	(*)	-	(*)
Buyback of Company shares	-	-	(1)	-	-	-	-	-	(1)	-	(1)
Transaction with holders of non-controlling interests	-	-	-	-	-	(15)	-	-	(15)	3	(12)
<u>Balance as at 30 September 2025</u>	75	560	(151)	4	(69)	11	(4)	252	678	387	1,065

*) Amount less than NIS 1 million.

Consolidated Statements of Changes in Equity

	Attributed to Company shareholders											
	Capital reserve with respect to transactions with holders of non-controlling interests											
	Share capital	Share premium	Treasury shares	Capital reserve with respect to transactions with controlling shareholders	Capital reserve with respect to transactions with non-controlling interests	Capital reserve with respect to share-based payments	Capital reserve with respect to defined benefit plans	Capital reserve for hedging transactions	Retained earnings	Total	Non-controlling interests	Total equity
	Unaudited											NIS millions
<u>Balance as at 1 January 2024</u> <u>(audited)</u>	75	554	(132)	4	(35)	12	(3)	(2)	159	632	370	1,002
Total comprehensive income (loss)	-	-	-	-	-	-	-	2	49	51	(28)	23
Cost of share-based payments	-	-	-	-	-	3	-	-	-	3	1	4
Buyback of Company shares	-	-	(18)	-	-	-	-	-	-	(18)	-	(18)
Exercise of warrants	(*)	2	-	-	-	(2)	-	-	-	(*)	-	(*)
Transaction with holders of non-controlling interests	-	-	-	-	(18)	-	-	-	-	(18)	42	24
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(5)	(5)
<u>Balance as at 30 September 2024</u>	75	556	(150)	4	(53)	13	(3)	-	208	650	380	1,030

*) 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 defined benefit plans		Retained earnings		Total		Non-controlling interests		Total equity	
	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 defined benefit plans	Retained earnings	Total	Non-controlling interests	Total equity														
	Unaudited																					
NIS millions																						
<u>Balance as at 1 July 2025</u>	75	560	(150)	4	(56)	10	(4)	222	661	384	1,045											
Total comprehensive income	-	-	-	-	-	-	-	30	30	2	32											
Cost of share-based payments	-	-	-	-	-	1	-	-	-	1	1											
Buyback of Company shares	-	-	(1)	-	-	-	-	-	-	(1)	(1)											
Transaction with holders of non-controlling interests	-	-	-	-	(13)	-	-	-	-	(13)	1										(12)	
<u>Balance as at 30 September 2025</u>	75	560	(151)	4	(69)	11	(4)	252	678	387	1,065											

Consolidated Statements of Changes in Equity

	Attributed to Company shareholders												
				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		Non- controlling interests	Total equity
	Share capital	Share premium	Treasury shares										
Unaudited NIS millions													
Balance as at 1 July 2024	75	556	(147)	4	(52)	12	(3)	178	623	387	1,010		
Total comprehensive income (loss)	-	-	-	-	-	-	-	30	30	(3)	27		
Cost of share-based payments	-	-	-	-	-	1	-	-	1	-	1		
Buyback of Company shares	-	-	(3)	-	-	-	-	-	(3)	-	(3)		
Exercise of warrants	(*)	(*)	-	-	-	(*)	-	-	(*)	-	(*)		
Transaction with holders of non- controlling interests	-	-	-	-	(1)	-	-	-	(1)	1	-		
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(5)	(5)		
Balance as at 30 September 2024	75	556	(150)	4	(53)	13	(3)	208	650	380	1,030		

*) Amount less than NIS 1 million.

Consolidated Statements of Changes in Equity

	Attributed to Company shareholders																				
	Share capital	Share premium	Treasury shares	Controlling shareholders	Capital reserve with respect to transactions with non-controlling interests		Capital reserve with respect to share-based payments	Capital reserve with respect to defined benefit plans	Capital reserve for hedging transactions	Retained earnings	Total	Non-controlling interests	Total equity								
					Capital reserve with respect to transactions with non-controlling interests	Capital reserve with respect to transactions with non-controlling interests															
					Audited																
NIS millions																					
<u>Balance as at 1 January 2024</u>	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)								
<u>Balance as at 31 December 2024</u>	<u>75</u>	<u>559</u>	<u>(150)</u>		<u>4</u>	<u>(54)</u>	<u>9</u>	<u>(4)</u>	<u>-</u>	<u>211</u>	<u>650</u>	<u>383</u>	<u>1,033</u>								

*) Amount less than NIS 1 million.

Consolidated Statements of Changes in Cash Flows

	For the nine months ended 30 September		For the three months ended at 30 September		For the year ended 31 December
	2025	2024	2025	2024	2024
	Unaudited				Audited
NIS millions					

Cash Flows from Current Operations

Net profit	82	21	32	27	34
Adjustments required for presenting cash flows from current operations:					
Adjustments to profit and loss items:					
Depreciation and amortisation	298	284	96	95	386
Impairment of intangible assets	15	-	3	-	-
Impairment (increase) in fair value of investment property and investment property under construction	(65)	2	1	-	4
Cost of share-based payment	3	4	1	1	3
Capital loss (gain) from disposal of stores and property, plant, and equipment	(17)	7	(1)	7	4
Capital gain from disposal of an investee	-	(2)	-	(2)	(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	(*)	(1)	(13)	2	(3)
Change in employee benefit liabilities, net	(*)	(*)	1	1	(2)
Change in provision for impairment of property, plant, and equipment and right-of-use assets	(1)	(12)	-	(5)	1
Other adjustments	8	(8)	(2)	-	(6)
	241	275	86	99	395
Changes in assets and liabilities items:					
Increase in trade receivables (including long-term receivables)	(80)	(124)	(64)	(41)	(77)
Decrease (increase) in other receivables	(40)	(2)	(4)	17	(7)
Decrease (increase) in inventory	(128)	(44)	74	132	(4)
Increase (decrease) in trade payables	71	63	(3)	(82)	120
Increase (decrease) in other payables	(41)	25	(18)	6	98
	(218)	(82)	(15)	32	130
Net cash from current operations	105	214	103	158	559

*) Amount less than NIS 1 million.

Consolidated Statements of Changes in Cash Flows

	For the nine months ended		For the three months ended at		For the year ended 31 December 2024 Audited						
	30 September		30 September								
	2025	2024	2025	2024							
	Unaudited										
NIS millions											
Cash flow from investment activities											
Acquisition of property, plant, and equipment	(171)	(161)	(44)	(60)	(222)						
Purchase of intangible assets	(6)	**) (2)	-	-	**) (5)						
Investment property under construction	(10)	-	-	-	-						
Capitalisation of costs recognised in investment property and investment property under construction	(3)	(2)	(1)	-	(2)						
Proceeds from disposal of stores and property, plant, and equipment	40	10	6	1	10						
Proceeds from (investment in) short-term deposits, net	250	(144)	-	91	(150)						
Proceeds from (investment in) marketable securities, net	15	(14)	-	1	(16)						
Other investments, net	2	(4)	1	(4)	(16)						
Deferred payment for acquired operations	-	(41)	-	-	(48)						
Net cash from (used for) investment operations	117	(358)	(38)	29	(449)						
Cash flows from finance activities											
Issue of share capital	(*)	(*)	-	(*)	-						
Dividends paid to Company shareholders	(40)	-	-	-	-						
Dividends paid to non-controlling interests	-	(5)	-	(5)	(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	-	-	30						
Repayment of long-term loans from banks and others	(322)	(98)	(25)	(39)	(141)						
Buyback of Company shares	(1)	(18)	(1)	(3)	(18)						
Issuance of equity in consolidated company to holders of non-controlling interests	-	78	-	-	78						
Payment for Carrefour franchise	(5)	**) (32)	(3)	-	**) (44)						
Buyback of shares from holder of non-controlling interests	-	(18)	-	-	(18)						
Return of advance payment for investment property	(31)	-	-	-	-						
Payment of lease liabilities	(167)	(167)	(56)	(53)	(226)						
Short-term bank credit, net	201	131	(7)	25	62						

Consolidated Statements of Changes in Cash Flows

	For the nine months ended		For the three months ended at		For the year ended 31 December 2024 Audited	
	30 September		30 September			
	2025	2024	2025	2024		
	Unaudited					
NIS millions						
Net cash from (used for) finance activities	(308)	79	(92)	(75)	(193)	
<u>Increase (decrease) in cash and cash equivalents</u>	(86)	(65)	(27)	112	(83)	
<u>Balance of cash and cash equivalents at beginning of period</u>	293	376	234	199	376	
<u>Balance of cash and cash equivalents at end of the period</u>	207	311	207	311	293	

*) Amount less than NIS 1 million.

**) Reclassified.

Consolidated Statements of Changes in Cash Flows

For the nine months ended 30 September		For the three months ended at 30 September		For the year ended 31 December
2025	2024	2025	2024	2024
Unaudited				
NIS millions				

(A) Significant non-cash activities

Acquisition of property, plant, and equipment using credit	49	42	8	7	50
Increase in right of use asset against lease liabilities	391	954	135	138	1,040
Transaction with holders of non-controlling interests	-	53	-	-	53
Proceeds from non-cash sale of a store	-	-	-	-	5

Additional information on cash

(B) flows

Cash paid over the course of
the period for:

Interest	188	170	64	56	252
Taxes on income	27	33	7	7	44

Cash received over the course
of the period for:

Interest	12	14	2	5	12
Taxes on income	10	3	-	1	3

