

STRAUSS GROUP LTD.

("the Company")

October 26, 2025

To:

Israel Securities Authority Via MAGNA

TEL AVIV STOCK EXCHANGE LTD Via MAGNA

Dear Sir/Madam,

Re: Immediate Report Regarding a Non-Material and Non-Exceptional Private Offering

The Company is honored to report, in accordance with Regulation 21 of the Securities Regulations (Private Offering of Securities in a Listed Company), 2000, regarding a private offering that is not material or exceptional, as detailed below:

1. Introduction

- **1.1** On October 23, 2025, the allocation of 288,337 (non-tradable) options of the Company to a senior officer of the Company ("the Offeree") was approved, in accordance with the terms of the employee option plan of the group ("the Option Plan").
- **1.2** Each of the options will be exercisable into one ordinary share of NIS 1 par value of the Company. It is emphasized that, according to the terms of the Option Plan, the options will be exercised without payment of an exercise price, so that the Offeree will be allocated exercise shares in a quantity that reflects the benefit component embedded in the options, equal to the amount resulting (from March 20, 2016) from one of the following calculations according to the exercise instructions given by the Offeree:
 - (1) In the case where the Offeree gave an exercise instruction in which a minimum exercise price was set ("Limit Order"): the amount of the difference between the minimum exercise price set in the limit order ("Limit Price") and the exercise price, multiplied by the number of options for which an exercise notice was sent, divided by the limit price;
 - (2) In the case where the Offeree did not give a limit order: the amount of the difference between the closing price of an ordinary share on the last trading day prior to the exercise date ("Market Price") and the exercise price, multiplied by the number of options for which an exercise notice was sent, divided by the market price. Additionally, since upon exercise of the options the Offeree will be required to pay the par value of all the exercise shares allocated to him, the Offeree will be allocated additional exercise shares in a quantity that reflects, in addition to the benefit component, also the payment of the par value that the Offeree will be required to pay for the shares to be issued to him.
- **1.3** Assuming the theoretical exercise of all the options by the Offeree into Company shares (at a 1:1 ratio), the exercise shares will constitute approximately 0.25% of the issued and paid-up share capital of the Company and of the voting rights therein (excluding dormant shares), and approximately 0.23% of the issued and paid-up share capital of the Company and of the voting rights therein on a fully diluted basis. ¹
- **1.4** It should be noted that, to the best of the Company's knowledge as of the date of this report, the Offeree is not an interested party (as defined in Section 270(5) of the Companies Law, 1999) and will not become an interested party as a result of the allocation.

1.5 There is an employment relationship between the Offeree and the Company.

2. Main Terms of the Options

This is an unofficial AI generated translation of the official Hebrew version and has no binding force. The only binding version is the official Hebrew version. For more information, please review the legal disclaimer.

2.1 Allocation Method: The options will be allocated according to Section 102 of the Income Tax Ordinance (New Version), 1961 ("Income Tax Ordinance"), under the trustee track.

2.2 Exercise Price: The exercise price of each option is NIS 95.65, determined as the average closing price of the Company's share on the 30 trading days on the stock exchange preceding the date of approval of the allocation by the Company's Board of Directors, plus a premium of 5%.

Vesting and Exercise Period: Subject to the other terms of the Option Plan and the Board of Directors' decision to adjust the vesting and exercise period for this allocation, the Offeree's entitlement to receive the shares arising from the options offered to him will vest in two tranches: on October 23, 2027, the right to exercise 80% of the options, totaling 230,670 options, will vest, and on October 23, 2028, the right to exercise 20% of the remaining 57,667 options will vest.

2.3 Expiry Date: The right to exercise each tranche of options will be available to the Offeree for a period of one year from the vesting date of each tranche. The right to exercise a tranche of options that was not exercised in part or in full by the expiry date of that tranche will expire, be void, and will not grant the Offeree any right whatsoever.

2.4 Adjustments:

- **2.4.1** In any case where the Company distributes bonus shares to its shareholders after the grant of the options to the Offeree and before their exercise, the Offeree's rights will be preserved so that immediately after the record date for the bonus share distribution, the number of exercise shares resulting from the conversion of the options to which the Offeree is entitled will increase or decrease by the number of shares of the same type that the Offeree would have been entitled to as bonus shares had he converted the options (not yet exercised).
- **2.4.2** The conversion ratio of each option to exercise shares will be adjusted proportionally for any consolidation and re-division of the Company's shares into shares of a different par value, occurring after the record date but before the exercise date.
- **2.4.3** If the Company issues rights to the holders of the Company's ordinary shares after the record date but before the exercise date, the exercise price of each option (not yet exercised) will be reduced by an amount equal to the ex-theoretical benefit value embedded in the rights issue. For this purpose, "benefit value" means: the difference between the share price on the stock exchange, which according to the prospectus for the rights issue served as the basis for calculating the ex-rights share price stated in the prospectus, and the ex-rights share price according to the said prospectus.
- **2.4.4** If the Company distributes a cash dividend and the record date for entitlement to the dividend precedes the exercise date of the option, the Offeree's rights will be preserved in relation to all

3. Consideration for the Offered Options

The options are offered to the Offeree free of charge, as part of the Offeree's compensation for his employment in the Company.

4. Additional Provisions

- **4.1** The options will not be listed for trading on the TEL AVIV STOCK EXCHANGE LTD ("the Exchange"). The shares resulting from the exercise of the options will be registered in the name of the Company for registration purposes and will be listed for trading on the Exchange, subject to the approval of the Exchange.
- **4.2** The exercise shares are ordinary shares of NIS 1 par value of the Company, listed for trading on the Exchange, and are identical and equal in all respects to the shares of the same type existing in the Company's share capital.
- **4.3** For the general provisions of the Option Plan, including regarding the terms of the Option Plan in the event of termination of employment or office and the exercise procedure, see Note 20.1.1 to the Company's financial statements as of December 31, 2024, included in the Company's periodic report for 2024 published on March 25, 2025, and amended on March 26, 2025 (reference numbers: 2025-01-019985 and 2025-01-020788, respectively).
- **4.4** In accordance with the Exchange's regulations, no option exercise will be carried out on the record date for any of the following events:
 - Distribution of bonus shares
 - Rights offering
 - Dividend distribution
 - Capital consolidation
 - Capital split
 - Capital reduction (Each of the above shall hereinafter be referred to as: "Company Event"). If the ex-date of a Company Event precedes the record date of a Company Event, no option exercise will be carried out on the said ex-date. For this purpose, the ex-date will be determined according to the Exchange's rules.

5. Details of Agreements with the Offeree

To the best of the Company's knowledge, and according to checks conducted with the Offeree prior to the grant, there are no agreements, whether written or oral, between the Offeree and any shareholder of the Company, regarding the purchase or sale of securities or regarding voting rights.

6. Restrictions or Limitations Applicable to the Offeree in Performing Actions with the Offered Options

The Offeree will be subject to the restrictions set forth in Section 102 of the Income Tax Ordinance, if and to the extent applicable. According to the Option Plan, the options are not transferable, assignable, or pledgeable except in the cases specified in the plan.

It should be noted that the sale of the exercise shares will be subject to the restrictions set forth in Section 15C of the Securities Law and the Securities Regulations (Details regarding Sections 15A to 15C of the Law), 2000.

Note:

The following section refers to the reduction of the option exercise price in the event of a dividend distribution:

The period during which the option is valid, by way of reducing the exercise price of the option by an amount equal to 100% of the dividend per share declared, linked to the Consumer Price Index from the index known on the record date for entitlement to the dividend until the last index known on the exercise date (for example, if the Company declares a dividend of NIS 1 per share, the exercise price will be reduced by NIS 1, linked to the index as stated above).

4.

Required Approvals	7.
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The allocation of the options under this private offering is subject to the approval of the Exchange for the listing for trading of the shares resulting from the exercise of the options. The Company will apply for such approval shortly after the publication of this report.

Sincerely,

STRAUSS GROUP LTD.

Date of signature: October 26, 2025.

Names of signatories:

Shai Babad, CEO.

Hila Makoysius, VP Human Resources.

FOOTNOTE:

¹ The full dilution is calculated based on the issued and paid-up share capital of the Company and the voting rights therein (excluding dormant shares), assuming full exercise of the options granted under this report as well as 6,276,829 options granted to employees.