

Strauss Group Ltd.

Periodic report for the First Quarter for the Year 2026



Board of Directors	Ofra Strauss, Active Chairperson of the Board Shaul Kobrinsky, Deputy Chairperson of the Board Adi Strauss Galia Maor Dorit Salinger Dalia Lev Ravit Barniv Yaniv Garty Annette (Anat) Gabriel Smadar Barber-Tsadik Aviram Lahav
President & CEO	Shai Babad
Company Secretary	Yael Nevo, Adv.
Auditors	Somekh Chaikin KPMG
Registered Office	49 Hasivim St., Kiryat Matalon, Petach Tikva 4959504
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Introduction



Business Card

Strauss Group is a group of industrial and commercial companies, which operate in Israel and outside of Israel, mainly in the development, production, marketing and sale of a variety of branded food and beverage products. The group also operates in the development, marketing, service and sale of products for filtration, purification and carbonation of water for home and office. The group's purpose is: "Nourishing a better tomorrow". Strauss was founded in 1933, and today is traded on the Tel Aviv 35 Index, which includes the largest public companies in Israel. According to the Group's management reports for 2025, the total sales volume of Strauss worldwide exceeds 12.5 billion NIS. The Group is active in 11 countries, and operates 26 sites.

The Group's Areas of Activity



The second largest **Food and Beverage Group** in Israel, in terms of sales volume (according to StoreNext¹ data). Holds a market share of **12.3%** of the total food and beverage market in Israel, includes **13** sites including production sites and logistics centers and about **3,900** employees.

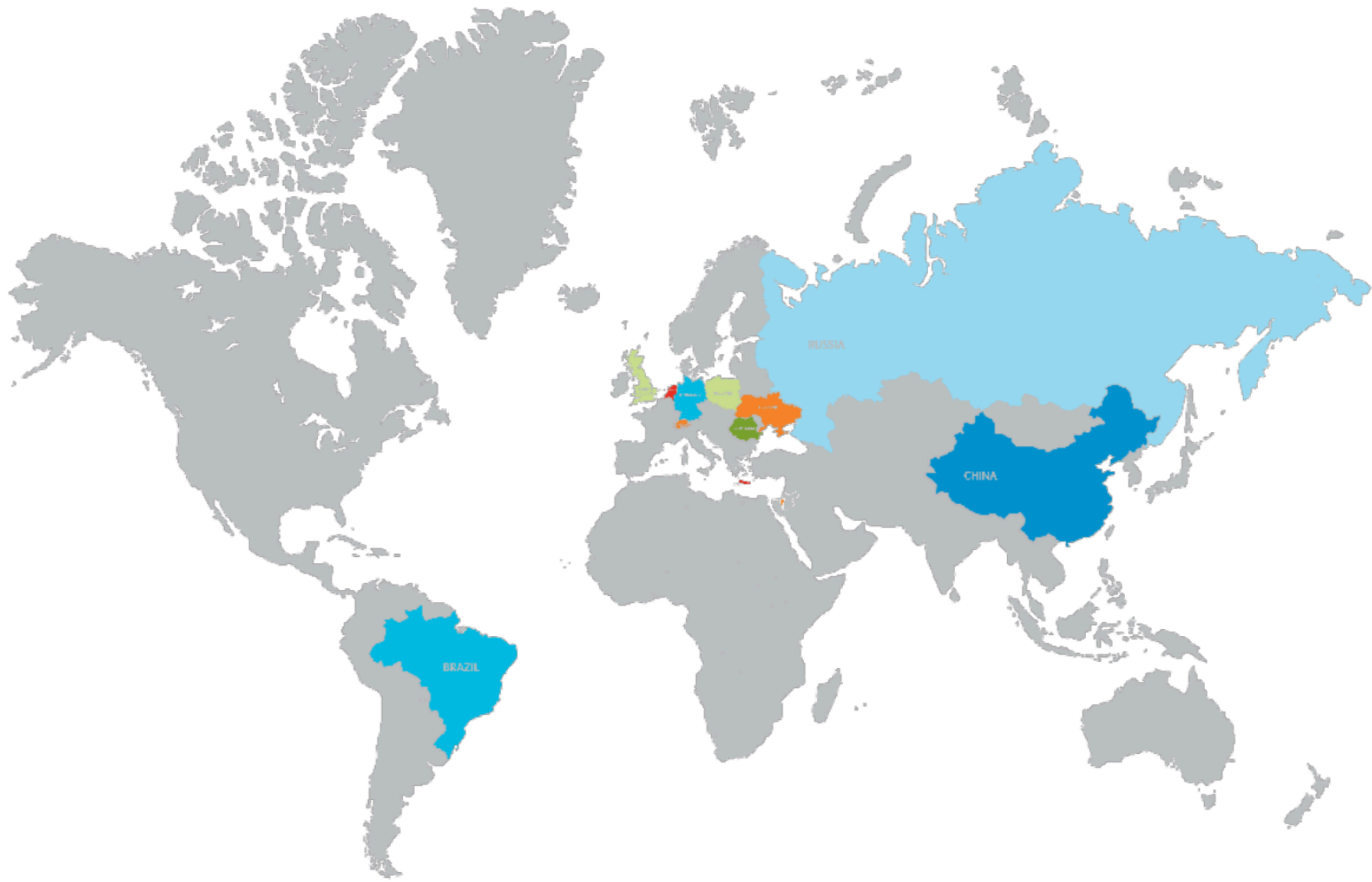


The Group's coffee activity (including 100% of the activity of the joint venture (JV) Três Corações and Israel coffee activity (which is included in the "Fun and Indulgence Israel Coffee" segment)) **is the third largest in the retail global coffee market** in terms of market share in financial value terms (according to Euromonitor data for 2025), the Group is active in Brazil, Russia, Ukraine, Poland, Romania, Germany, Holland and Switzerland.



A leading international company specializing in solutions for high-quality and purified drinking water. The Group's main markets are Israel, China and England.

¹ Data for the first quarter of 2026 was adjusted to the updated StoreNext calculations according to a report published on April 9, 2026.



Strauss Israel

Israel

Strauss Coffee

- Holland
- Brazil
- Romania
- Switzerland
- Poland
- Germany
- Ukraine
- Russia

Strauss Water

- Israel
- China
- England

Collaborations and Innovation

Strauss maintains collaborations with several leading multinational corporations, such as:
São Miguel, Danone, PepsiCo, Haier, Culligan

Financial Performance Summary for the First Quarter of 2026

All financial data in this chapter are based on the Group's management reports, where comparative data is relative to the corresponding quarter in 2025:

3,001

NIS Million

Net Sales

2.5%

Growth excluding currency effects

0.4%

Overall growth in sales

316

NIS Million

Operating Profit

71.0%

Change in operating profit (excluding currency effects)

10.5%

Operating profit margin

423

NIS Million

EBITDA

47.8%

Change in EBITDA (excluding currency effects)

14.1%

EBITDA margin

181

NIS Million

Net profit attributable to shareholders

126.1%

Change in net profit attributable to shareholders

1.55 NIS

Net profit per share

147

NIS Million

CAPEX, net

-0.7%

Change in CAPEX

4.9%

CAPEX rate, net of sales

101

NIS Million

Cash flow from operating activities

448

NIS Million

Change in cash flow from operating activities

-46

NIS Million

Free Cash Flow

449

NIS Million

Change in free cash flow

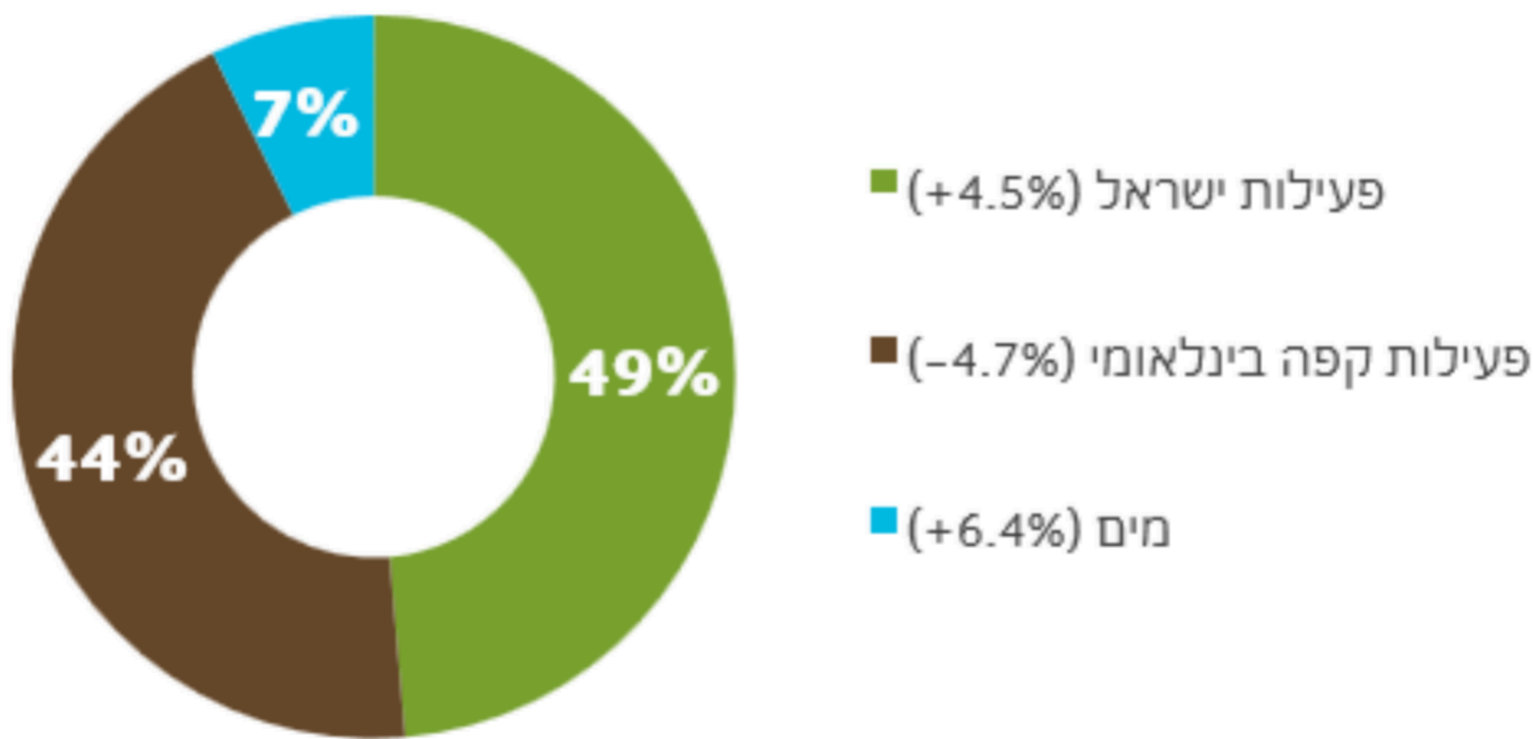
Selected managerial financial data for the first quarter of 2026:

NIS in millions	Q1-2026	Q1-2025	Change	% Change
Sales	3,001	2,990	11	0.4%
Growth excluding currency effect	2.5%	20.9%		
Gross profit	957	781	176	22.6%
% of sales	31.9%	26.1%		
Total operating expenses	653	606	47	7.8%
Company's share in profits of associates accounted for using the equity method	12	14	(2)	(18.5%)
Operating profit	316	189	127	67.9%
% of sales	10.5%	6.3%		
Financing expenses, net	(51)	(26)	(25)	94.1%
Profit before income taxes	265	163	102	63.6%
Income taxes	(59)	(57)		
Profit for the period	206	106	100	96.0%
Profit attributable to the company's shareholders	181	81	100	126.1%
% of sales	6.0%	2.7%		
Profit attributable to non-controlling interests	25	25	0	(1.1%)
Earnings per share (NIS)	1.55	0.69	0.9	125.4%

Financial data were rounded to NIS millions. Change percentages were calculated based on exact data in NIS thousands.

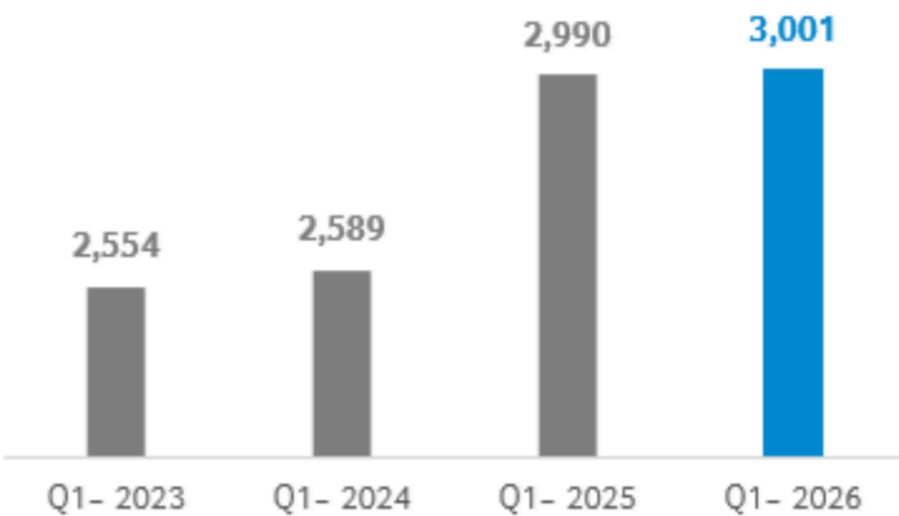
Net sales segmentation for the first quarter of 2026 and their growth rate by operating segments

מכירות נטו רבעון ראשון



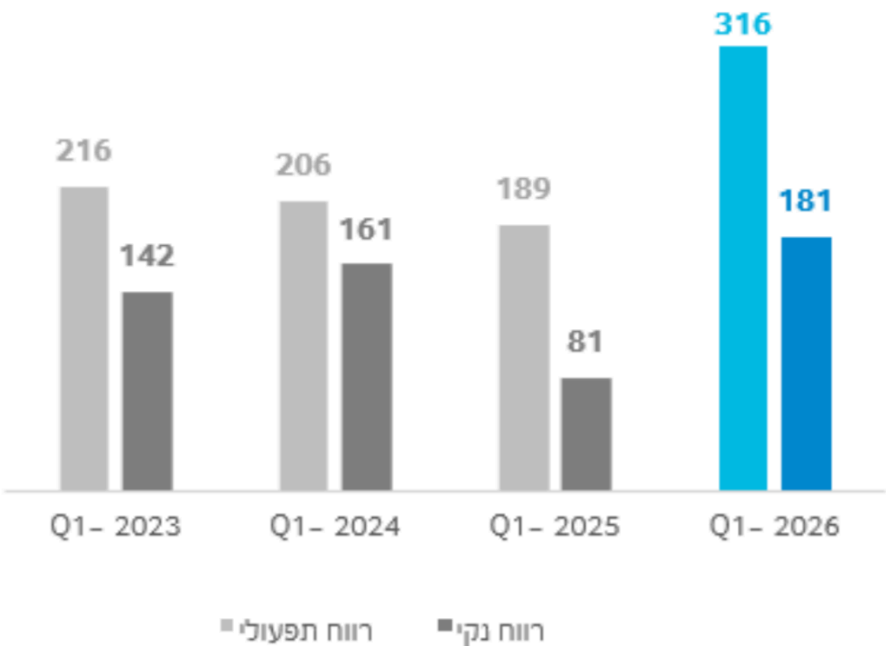
צמיחת מכירות בנטרול מטבע

(0.7%) 20.9% 2.5%



שינוי בצמיחה ברווח נקי ותפעולי בנטרול מטבע

(5.0%) (7.4%) 71.0%



Financial data were rounded to NIS millions. Change percentages were calculated based on exact data in NIS thousands.

Definitions

In all subsequent chapters, the terms specified below are given the meaning listed next to them:

"Strauss" / "The Corporation" / "The Company"	Strauss Group Ltd.
"Strauss Group" / "The Group"	Strauss Group Ltd. and its controlled companies, including joint control
"Strauss Holdings"	Strauss Holdings Ltd.
"Controlling shareholders"	For details, see Section 1 in the Description of the Corporation's Business chapter of the Group's Periodic report
"Strauss Coffee International"	Strauss Coffee B.V.
"São Miguel"	São Miguel Holding e Investimentos S.A.
"Trãas Corações" (JV)	A joint venture in Brazil held 50% by the Group and 50% by a local holding company São Miguel Holding e Investimentos S.A.
"Danone"	The French conglomerate: Compagnie Gervais Danone S.A.
"Pepsico" / "Pepsico Inc"	The American conglomerate: Pepsico, Inc.
"Haier"	The Chinese group HAIER
"HSW"	Qingdao HSW Health Water Appliance Co. Ltd
"The Stock Exchange"	The Tel Aviv Stock Exchange Ltd.
"The Financial Statements"	The Company's financial statements as defined in Section 5 in the Description of the Corporation's Business chapter of the Group's Periodic report
"The Managerial Reports"	The Company's managerial reports as defined in Section 5 in the Description of the Corporation's Business chapter of the Group's Periodic report
"The Milk Law"	Dairy Economy Planning Law, 2011
"The Packaging Law"	Law for the Regulation of Packaging Treatment, 2011
"The Food Law"	Food Sector Competition Promotion Law, 2014

"StoreNext"

StoreNext company, engaged in measuring the fast-moving consumer goods (FMCG) market in the barcoded retail market (which includes large marketing

chains, private barcoded minimarkets, and independent marketing chains). According to information provided by StoreNext: starting from late May 2024, the Shufersal chain stopped transmitting cash register data to StoreNext. Also, towards mid-September 2024, the Rami Levy chain announced the termination of its engagement with StoreNext. Therefore, adjustments were made to StoreNext's statistical model in order to continue to best reflect the volumes and sales trends in the market. However, as stated, these are estimates only and not real data.

"Nielsen"	Nielsen is a company in the field of research, information, and market analysis, which, to the best of the Company's knowledge, is active in approximately 110 countries, including Israel.
"Euromonitor"	Euromonitor is a provider of strategic market research. The company produces data and analysis on products and services worldwide.
"ICE"	"Intercontinental Exchange (ICE)" is a provider of commodity data, producing and providing analyses of commodities. https://www.theice.com/index
"Bloomberg"	Bloomberg is a private company providing financial services in the fields of software, media, and information. Bloomberg occupies a third of the international financial information market.
Mintel	Mintel is an online information platform specializing in consumer insights and trends, product launches, and business intelligence, primarily in the global consumer goods and personal care sector.
"Dollar"	US Dollar

Update of the Corporate Business Description



Update to the Corporate Business Description chapter for the Periodic report of Strauss Group Ltd. (hereinafter: "the Company") for the year 2025¹ (hereinafter: "the Periodic report")

In accordance with Regulation 39A of the Securities Regulations (Periodic and Immediate Reports), 5730-1970, below is a detail of material developments that occurred in the Company's business during the three months ended March 31, 2026, and up to the date of publication of the report, for which disclosure has not yet been provided in the Periodic report. This update refers to section numbers that appeared in the Corporate Business Description chapter as well as several regulations that appeared in the Additional Details about the Corporation chapter in the Company's Periodic report for the year 2025 ("Corporate Business Description Report" and "Additional Details Report", respectively) according to the order of sections in said reports. It should be noted that terms in this chapter shall have the meaning ascribed to them in the Periodic report, unless expressly stated otherwise.

1. Section 4 of the Corporate Business Description Report - Dividend Distribution

On March 24, 2026, the Company's Board of Directors approved a cash dividend distribution to shareholders in the amount of NIS 250 million for the year 2025. For details regarding said dividend distribution, see the immediate report dated March 25, 2026 (reference no.: 2026-01-026732), a supplementary immediate report regarding the final dividend per share dated March 30, 2026 (reference no.: 2026-01-029909), and also Note 4 to the Company's consolidated condensed interim financial statements as of March 31, 2026.

2. Section 17 of the Corporate Business Description Report - Financing

On March 31, 2026, the rating agency S&P Global Ratings Maalot Ltd. (Maalot) announced that it had reaffirmed the Company's rating and the rating of the Company's BONDS, iIAA+ with a stable outlook. For further details, see the immediate report dated March 31, 2026 (reference no.: 2026-15-030895).

¹ As published on March 25, 2026 (reference no.: 2026-01-026734).

3. Section 20 of the Corporate Business Description Report - Restrictions and Supervision of the Group's Activity

Further to the stated in Section 20.2.1 (a) regarding the draft Dairy Market Planning Regulations, on May 13, 2026, the Knesset Economic Affairs Committee approved the Dairy Market Planning Regulations. The approved regulations regulate the control and supervision mechanisms applicable to dairies, and grant the Dairy Board powers to deal with shortage situations, including the power to order the transfer of raw milk between dairies for the purpose of producing supervised products, in the event of a material and continuous shortage of such products, as defined in the regulations. The exercise of this power is subject to procedural restrictions, including an obligation to provide written reasons, and it is limited to a period not exceeding 7 days, with the possibility of re-issuing such an instruction as long as the conditions justifying its activation continue to exist.

At this stage, there is no certainty as to how the regulations will be implemented in practice, if and to the extent that their legislative process is completed, the scope of the use of the powers established therein, and the degree of their possible impact on the Company's activities and business. Therefore, as of the date of publication of this report, the Company is unable to assess the full implications of said regulations, if actually activated, on its activities and results.

The information stated in this section regarding the possible effects of the Dairy Market Planning Regulations, if and to the extent that their legislative process is completed, on the Company's activity and business, is forward-looking information as defined in the Securities Law, based on the information existing in the Company at the date of the report and including the Company's estimates, for which there is no certainty as to their actual realization, among other things due to the manner of implementation of the regulations, regulatory decisions or market developments. The Company monitors the implementation of the regulations and is preparing accordingly based on the information in its possession as of this date of publication.

4. Section 22 of the Corporate Business Description Report - Legal Proceedings

For updates, see Note 6 to the Company's consolidated condensed interim financial statements as of March 31, 2026.

5. Regulation 22 of the Additional Details about the Corporation Report - Transactions with a controlling shareholder

On April 30, 2026, an annual and special general meeting of the Company's shareholders approved, among other things, the granting of an indemnification commitment letter to a director in the Company, Ms. Smadar Barber-Tsadik, in which the controlling shareholders may be considered as having a personal interest in its granting, in the version provided to the other directors and officers in the Company. For further details, see the Company's immediate report dated March 25, 2026, regarding the summoning of the meeting (reference no.: 2026-01-026796), as well as the Company's immediate report dated April 30, 2026, regarding the results of the meeting (reference no.: 2026-01-040290), the details included in which are hereby brought by way of reference.

6. Regulation 24 of the Additional Details about the Corporation Report - Holdings of Interested Parties and Senior officers

For details regarding the status of holdings of interested parties and senior officers (including details of dormant shares held by the Company) as of March 31, 2026, see the Company's immediate report dated April 26, 2026 (reference no.: 2026-01-038020), the details included in which are hereby brought by way of reference.

7. Regulation 26 of the Additional Details about the Corporation Report - The Corporation's Directors

On April 30, 2026, the annual and special general meeting of the Company's shareholders approved, among other things, the re-appointments of Ms. Ravit Barniv and Mr. Shaul Kobrinsky who are retiring by rotation in accordance with the provisions of the Company's articles of association as directors in the Company, the appointment of a new external director, Mr. Aviram Lahav, and the appointment of a new director, Ms. Smadar Barber-Tsadik (whose appointment was approved by the Company's Board of Directors pending approval of said meeting). For further details, see the Company's immediate report dated March 25, 2026, regarding the summoning of the meeting (reference no.: 2026-01-026796), as well as the Company's immediate report dated April 30, 2026, regarding the results of the meeting (reference no.: 2026-01-040290), the details included in which are hereby brought by way of reference.

8. Regulation 29(c) of the Additional Details Report on the Corporation - Special General Meeting Resolutions

For details regarding the resolution of the annual and special general meeting of the company's shareholders dated April 30, 2026, regarding the granting of an indemnification commitment letter to a female director in the company, see Regulation 22 in Section 5 above.

9. Regulation 29A of the Additional Details Report on the Corporation, Company Resolutions

For details regarding the company's resolutions regarding the granting of an indemnification commitment letter to a female director in the company, see Regulation 29(c) in Section 8 above.

Date: May 19, 2026

Names and titles of the signatories:

Ofra Strauss, Chairperson of the Board

Shai Babad, President and CEO

Strauss Group Ltd.

Strauss Group Ltd.

Board of Directors' Report on the State of the Corporation's Affairs

As of March 31, 2026



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The Board of Directors' Explanations on the State of the Corporation's Affairs

1. General

The Board of Directors of Strauss Group Ltd. (the "Company") is pleased to submit the Board of Directors' Report for the first quarter of 2026, in accordance with the Securities Regulations (Periodic and Immediate Reports), 1970.

The review below is limited in scope and refers to events and changes that occurred in the state of the corporation's affairs during the reporting period, whose impact is material and which should be read together with the Business Description of the Corporation chapter, the financial statements, and the Board of Directors' Report on the State of the Corporation's Affairs in the Periodic report as of December 31, 2025, as published on March 25, 2026 (Reference No.: 2026-01-026734).

2. Main Data from the Business Description of the Corporation

2.1. Summary of Activity Segments for 2026

As of the date of publication of the report, the Group operates in five areas of activity reported as segments as detailed in Note 3 to the condensed consolidated interim financial statements as of March 31, 2026. Three of the areas of activity are concentrated within the Israel activity: Health & Wellness; Fun & Indulgence (Snacks & Sweets); and Fun & Indulgence (Coffee Israel); and there are also two additional areas of activity: International Coffee and Strauss Water. ¹

Following the approval of an update to the Company's strategy for the years 2024-2026, several changes were made to the Company's activity segments so that they correspond to the way segment information is presented regarding the Group's activity segments, which are based on the Group's management and internal reporting ("Management Reporting").

¹ In addition to the activity areas detailed above, the Group has various activities that are not material to the Group's operations, which do not meet the quantitative threshold for presentation in the Company's financial statements as reportable segments or the criteria for aggregation and separate presentation as a reportable segment and which are included in the financial statements as of March 31, 2026 as "Other Activities".

2.2. Summary of Main Developments During and After the Reporting Period

- In March 2026, the Group entered into (through the joint venture Tres Coracoes (JV)) an agreement with corporations of the international food group General Mills, Inc. (hereinafter together: the "Seller") for the purchase of all (100%) rights in General Mills Brazil Alimentos Ltda., whose main asset is all (100%) rights in Yoki Distribuidora de Alimentos Ltda. (above and hereinafter: "Yoki"), for a consideration of 800 million Brazilian Reals (approximately NIS 475 million according to the exchange rate on the date of signing the agreement), based on cash free-debt free assumptions and agreed normative working capital, subject to customary adjustments for deviation from these assumptions and further reductions agreed upon within the purchase agreement. Yoki is a leading food company in Brazil with a broad portfolio of products in dry food, snacks, cooking and seasoning solutions categories, including holding leading local brands in Brazil in the categories in which it operates, including "Yoki" and "Kitano". Furthermore, Yoki holds two production facilities and uses five third-party distribution centers in Brazil.

The entering into the said purchase agreement constitutes an implementation of the Group's business strategy, to act to expand its activities in Brazil into new categories beyond the roasted and ground (R&G) coffee category, both through organic growth and through mergers and acquisitions. Completion of the transaction is subject to the fulfillment of conditions precedent, including receiving approval from the competition authority in Brazil, receiving audited financial statements for the year 2024, and other customary conditions. In the Company's estimation, the completion of the transaction is expected by the end of 2026, subject to the fulfillment of the conditions precedent as detailed above.

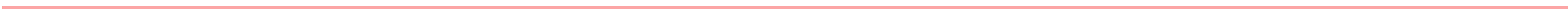
The information stated in this section, regarding the fulfillment of the conditions precedent and the completion of the transaction by the end of 2026 and regarding the Company's estimates concerning the creation of synergies, is forward-looking information as defined in the Securities Law, based on the Company's estimates regarding the realization of the conditions precedent and it may not materialize or may materialize in a different way in cases where the actual implementation of the business plans is different from that expected as of the date of publication of this report by the Company and also depending on the environment and market conditions in which it operates and factors beyond the Company's control. For further details, see section 9.1.1 in the Periodic report - Description of the Corporation's Business for 2025 and also an immediate report dated March 17, 2026 (reference number: 2026-01-023426).

2.3. Dividends

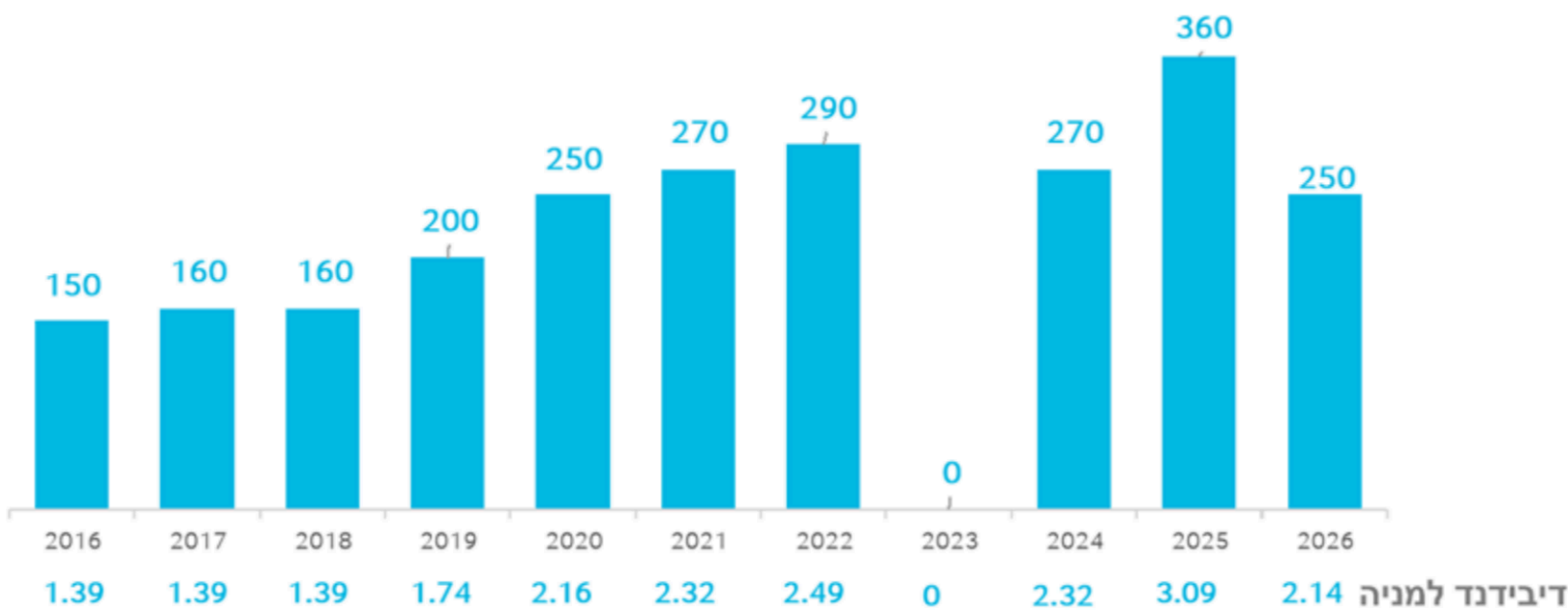
Decisions regarding dividend distribution are formulated by the Company's Board of Directors. The frequency and scope of distributions are derived from the Group's business results and in accordance with its needs.

Since 2016 and until the date of publication of the report, the Company distributed dividends in the amount of approximately NIS 2.4 billion.

The following chart presents the details of the cumulative distribution in the years 2016-2026:



חלוקת דיבידנדים בכל שנה בשנים 2016 – 2026



Data in NIS millions

On March 24, 2026, the Company's Board of Directors approved a dividend distribution to shareholders in the amount of NIS 250 million (approximately NIS 2.14 dividend per share) for the year 2025 which was paid on April 14, 2026.

The balance of retained earnings as of the date of the report on the financial position as of March 31, 2026, is approximately NIS 4,135 million.

Changes in the Economic Environment

3. "Iron Swords" War and "With Kelavi" and "Lion's Roar" Operations

On October 7, 2023, the "Iron Swords" war ("the War") broke out and in June 2025 Israel launched the "With Kelavi" operation ("the Operation") which lasted about 12 days and on February 28, 2026, Israel launched the "Lion's Roar" operation ("the Operation") against government targets in Iran, which lasted about 40 days. The operation also led to an escalation against Hezbollah in Lebanon and as of the date of publication of this report, the conflict in northern Israel continues. During and after the reporting period, the State of Israel is in states of war of varying intensities. However, the Company operates in a regular format. The war (including the operations) did not have a material impact on the Group's activities and its financial results. During the relevant periods, the Company acted to find solutions and adjustments as required for the purpose of maintaining business continuity.

The Group continues to monitor the various developments to examine the effects of the operation on its activities. However, due to uncertainty regarding geopolitical developments in the Middle East, it is not possible at this stage to estimate the scope of the future effects of possible geopolitical situations on the Group's business activity.

4. Russia-Ukraine Fighting

As of the date of publication of the report, the fighting between Russia and Ukraine continues, including the economic sanctions imposed on Russia by Western countries. As of the date of publication of the report, the state of fighting between Russia and Ukraine does not have a material impact on the Group's business results.

Considering the evolving nature of the events and the high level of uncertainty accompanying them, possible geopolitical scenarios may materialize which could lead to additional negative economic and financial consequences. The Group ongoingly monitors developments in the events in Ukraine, Russia, and the markets, but as of the date of publication of the report, it is unable to estimate the future impact of the events on its business results.

5. Prices of Raw Materials and Other Inputs in Production

A material part of the raw materials used to produce the Group's products is traded in global commodity markets. During the first quarter of 2026, significant decreases occurred in the average market prices of cocoa and green coffee. According to Bloomberg, from the beginning of April 2026 until close to the date of publication of the report, the prices of Robusta coffee and cocoa prices rose by about 3% and about 22%, respectively, while the price of Arabica green coffee decreased by about 5%.

The average price of raw milk in the first quarter of 2026 decreased by about 1.3%, and relative to the corresponding quarter of 2025, rose by about 3.1%. Since the beginning of April 2026, a decrease in the price of raw milk of about 0.7% was recorded. The impact of changes in raw material prices on the Company's material use cost is gradual due to the Group's procurement processes and hedging policy.

Below is the rate of change in market prices of the main inputs and the rate of change in the average market prices in the first quarter of 2026 compared to corresponding periods last year:

Inputs	Price for the day		
	31.03.2026	31.12.2025	Change %
Arabica (1)	298	349	(14%)
Robusta (1)	3,493	4,109	(15%)
Cocoa (1)	2,487	4,377	(43%)
Raw Milk (2)	2.47	2.51	(1%)

Inputs	Average price for the first three months		
	Q1-2026	Q1-2025	Change %
Arabica (1)	317	376	(16%)
Robusta (1)	3,872	5,436	(29%)

Inputs	Average price for the first three months		
	Q1-2026	Q1-2025	Change %
Cocoa (1)	2,828	7,697	(63%)
Raw Milk (2)	2.47	2.40	3%

(1) The data is based on the Bloomberg website. The exchanges where the commodities are traded: Arabica - New York; Robusta - London; and Cocoa - London.

(2) The figure is based on the "Halavi - Dairy Producers Website - Milk Board" website.

* Market prices of Arabica and Robusta are in US Dollar currency, the cocoa price is in British Pound currency, and the milk price is in Shekel currency.

The Group acts to reduce the impacts resulting from the volatility of raw material prices, among other things, through hedging, mitigation plans, and operational efficiency.

For further details regarding green coffee procurement processes, see section 5 of the Board of Directors' report for 2025.

6. Energy Prices

Average oil prices (Brent) in the first quarter of 2026 rose by approximately 5% relative to the average price in the corresponding quarter last year. According to Bloomberg, from the beginning of 2026 until shortly before the publication of the report, the price of oil rose by approximately 80%.

7. Foreign Currency Fluctuations

In the first quarter of 2026, the Shekel strengthened on an average exchange rate basis compared to the corresponding quarter last year against most of the operating currencies (except for the Ruble). This strengthening caused a decrease in the sales and operating profit items regarding the Group's foreign activities.

In the first quarter of 2026, the Shekel strengthened, based on closing rates, against most currencies, but weakened against the Brazilian Real, and the total net effect created an increase in the Group's equity.

In the first quarter of 2026, the US Dollar weakened significantly ("Dollar"), on an average exchange rate basis, against most currencies, except for the Hryvnia.

Below is a table of average exchange rates **against the Shekel** in the first quarter of 2026 compared to the corresponding period last year:

Table of average exchange rates against the Shekel				
Currency		Avg. Exch. Rate for First Quarter		Rate of Change
		2026	2025	
US Dollar	USD	3.122	3.613	(13.6%)
Euro	EUR	3.655	3.801	(3.8%)
Ukrainian Hryvnia	UAH	0.072	0.087	(16.8%)
Russian Ruble	RUB	0.040	0.039	2.6%
Romanian Leu	RON	0.718	0.763	(6.0%)
Polish Zloty	PLN	0.864	0.904	(4.5%)
Brazilian Real	BRL	0.593	0.616	(3.8%)
Chinese Renminbi	CNY	0.451	0.497	(9.3%)
Pound Sterling	GBP	4.209	4.549	(7.5%)

Below is a table of average exchange rates **against the Dollar** in the first quarter of 2026 compared to the corresponding period last year:

Table of average exchange rates against the Dollar				
Currency		Avg. Exch. Rate for First Quarter		Rate of Change
		2026	2025	
Shekel	NIS	0.320	0.277	15.7%
Ukrainian Hryvnia	UAH	0.023	0.024	(3.7%)
Russian Ruble	RUB	0.013	0.011	18.7%
Romanian Leu	RON	0.230	0.211	8.8%
Polish Zloty	PLN	0.277	0.250	10.5%
Brazilian Real	BRL	0.190	0.171	11.4%
Chinese Renminbi	CNY	0.144	0.138	5.0%
Pound Sterling	GBP	1.348	1.259	7.0%

According to Bloomberg, from the beginning of 2026 until shortly before the publication of the report, the Shekel strengthened against the Dollar, the Brazilian Real, and the Russian Ruble by approximately 9%, 1%, and 2%, respectively.

For the Company's policy regarding protections against inflation such as use of derivatives and hedging activities, see as detailed in Section 7 of the 2025 Board of Directors' Report.

8. Inflation

According to the CBS, in the first quarter of 2026, the Consumer Price Index in Israel rose by approximately 0.3% compared to approximately 1.1% in the corresponding quarter last year. In the last 12 months shortly before the publication of the report, the said index rose by approximately 1.9%.

According to Bloomberg, the price index in the US rose in the first quarter of 2026 by approximately 1.9% compared to approximately 1.3% last year, and by approximately 3.8% in the last 12 months shortly before the publication of the report. In Brazil, the price index rose by approximately 4.4% in the last 12 months shortly before the publication of the report. In Russia, the price index rose by approximately 5.6% in the last 12 months that ended shortly before the publication of the report.

Below is the change in the Consumer Price Index in the first quarter of 2026 compared to the corresponding period last year, as well as in the last 12 months that ended shortly before the publication of the report:

	First Quarter		
	2026	2025	Last 12 Months
Israel	0.3%	1.1%	1.9%
USA	1.9%	1.3%	3.8%
Brazil	1.9%	2.1%	4.4%
Russia	3.0%	2.6%	5.6%

The majority of the Group's liabilities regarding long-term loans are denominated in Shekels at a fixed interest rate, and the balance are denominated at a variable interest rate. Most of the Group's liabilities regarding leases are linked to the Consumer Price Index.

9. Interest

On January 5, 2026, the Bank of Israel announced a reduction in bank of Israel interest by 0.25% to a rate of 4.0%, which remained unchanged until shortly before the date of publication of the report.

According to Bloomberg, in the US, the Fed interest rate remained at a rate of 3.5%-3.75% until shortly before the publication of the report. In Brazil, the central bank interest rate decreased from 15% to 14.5% and remained at that level until shortly before the publication of the report. In Russia, the interest rate decreased from 16% at the beginning of 2026 to 14.5% until shortly before the publication of the report.

The majority of the Group's liabilities regarding long-term loans are at a fixed interest rate and mostly in Shekel currency. The balance of the liabilities are at a variable interest rate and primarily in Brazilian Real currency.

On January 30, 2026, the Moody's rating agency published the credit rating for the State of Israel, within which it left the rating unchanged at Baa1 and raised the credit rating outlook from negative to stable.

On March 27, 2026, the Fitch rating agency published the credit rating for the State of Israel, within which it left the rating unchanged at A with a negative outlook.

On May 8, 2026, the S&P rating agency published the credit rating for the State of Israel, within which it left the rating unchanged at A with a stable outlook.

For details regarding the market risks to which the Group is exposed, see Section 25.1 of the 2025 Corporation's Business Description Report (discussion of risk factors).

Business Results

10. Business Results

The Group conducts its business activities under several frameworks and activity segments: the Israel activity framework includes the activity segments: Health & Wellness, Fun & Indulgence (Snacks and Sweets), and Fun & Indulgence (Coffee Israel); the International Coffee activity segment; the Water activity segment, and other activities. The Group has several activities carried out in jointly controlled companies (held directly by the Company or through subsidiaries) at a rate of 50%: the coffee activity in Brazil (Três Corações), and the salty snacks activity in Israel (Strauss Frito-Lay Ltd.). It should be clarified that these activities are included in the Company's management reports according to the holding rate of the Company or the subsidiaries in them.

In accordance with accepted accounting principles, in the Company's audited financial statements, which include the income statement and the statements referring to financial position, comprehensive income, changes in equity, and cash flows ("the Financial Statements"), businesses under the joint control of the Group companies (together with additional partners) are presented in a single separate line ("Profit (loss) of equity-accounted investees") and in the rest of the reports in the relevant section.

Notwithstanding the above, and in light of the Group's management reports and the manner in which the Group's management measures the results of the subsidiaries and jointly controlled companies, the Group maintains management reports in which it presents the activity segments by presenting the Group's proportionate share in the income and expenses of the aforementioned jointly controlled companies (50%) as well as additional adjustments described below. The presentation of the data as such is different from the way it is presented in the Company's audited financial statements.

The following pages present the management reports, the accounting reports, and the various adjustments made by the Company's management to bridge the accounting reports and the management reports.

Below is a summary of business results (based on the Company's management reports) for the quarters ended March 31, 2026 and 2025 (NIS millions):

Summary of Business Results				
	First Quarter			Explanation
	2026	2025	% Change	
Sales (1)	3,001	2,990	0.4%	The increase mainly resulted from quantitative growth and improvement in the sales mix. The increase was partially offset by a negative impact of foreign exchange rates and a decrease in selling prices in the International Coffee segment in line with the decrease in green coffee prices, mainly in Brazil. For further details, see section 14 below.
Growth excluding currency effect	2.5%	20.9%		

Summary of Business Results				
	First Quarter			Explanation
	2026	2025	% Change	
Cost of sales	2,044	2,209	(7.5%)	
Gross profit	957	781	22.6%	The increase in gross profit and gross profitability mainly resulted from a decrease in green coffee prices and the realization of losses on cocoa commodity derivatives during the first quarter of 2025. This increase was partially offset by an increase in production costs, mainly in the Strauss Israel activity.
% of Sales	31.9%	26.1%		
Selling and marketing expenses	498	470	5.9%	The main change resulted from an increase in marketing expenses in the Israel activity and in the International Coffee segment.
General and administrative expenses	155	136	13.3%	The main change resulted from an increase in expenses related to information systems, depreciation, and consulting for the productivity plan.
Total operating expenses	653	606		
Company's share in earnings of equity-accounted investees	12	14	(18.5%)	The decrease resulted from a decline in Haier Strauss Water profits, mainly due to investments in product development, marketing activities, and improvement of sales channels.
Operating profit (1) (2)	316	189	67.9%	The increase in operating profit and operating profitability resulted from the improvement in gross profit as explained above, which was partially offset by an increase in marketing expenses and general and administrative expenses.
% of Sales	10.5%	6.3%		
Financing expenses, net	(51)	(26)	94.1%	The increase in financing expenses mainly resulted from an increase in expenses for revaluation of foreign exchange derivatives and exchange rate differences.
Profit before income taxes (2)	265	163	63.6%	
Income taxes	(59)	(57)	3.9%	The decrease in the effective tax rate is due to management's decision to limit the scope of dividend distributions from the coffee companies, which affected the recognition of deferred taxes.
Effective tax rate	22.3%	35.1%		
Profit for the period (2)	206	106	96.0%	
Profit attributable to the Company's shareholders (2)	181	81	126.1%	Most of the increase in net profit resulted from the rise in operating profit which was partially offset by an increase in financing and tax expenses.
% of Sales	6.0%	2.7%		
Profit attributable to non-controlling interests	25	25	(1.1%)	
Earnings per share (NIS)	1.55	0.69	125.4%	

Financial data was rounded to NIS millions. Change percentages were calculated based on the exact data in NIS thousands.

- 1) Comparison figures for 2026 include the activity of the "Elite Coffee" chain which was sold during 2025. For details regarding the sale of the activity, see section 18.1 of the Board of Directors' Report for 2025. The Group's sales and operating profit in 2025 excluding the activity, and excluding the currency effect as stated above, amounted to a total of approximately NIS 2,882 million and approximately NIS 187 million, respectively. Thus, the growth rate excluding the currency effect reflected in the Company's sales reached approximately 3.3%.
- 2) Starting from the first quarter of 2026, the Group's management decided that the incubator activity (TheKitchenHub) no longer constitutes a business activity component that is regularly reviewed by it for the purpose of assessing business performance or allocating resources, and therefore this activity is not included in the management report, and a restatement was performed in the amount of approximately NIS 6 million and approximately NIS 8 million for the quarters ended March 31, 2026 and 2025, respectively.

Below is a summary of business results (based on the Company's management reports) of the main business activity areas for the quarters ended March 31, 2026 and 2025 (in NIS millions):

Summary of Business Results by Activity Areas			
	First Quarter		
	2026	2025	% Change
Israel Activity Framework			
Net sales	1,459	1,396	4.5%
Cost of sales	934	947	(1.4%)
Operating profit	175	113	55.9%
International Coffee			
Net sales	1,322	1,388	(4.7%)
Cost of sales	996	1,155	(13.8%)
Operating profit	132	55	141.6%
Water			
Net sales	220	206	6.4%
Cost of sales	114	107	6.6%
Operating profit	17	26	(33.1%)
Other			
Operating loss *	(8)	(5)	78.7%
Total			
Net sales	3,001	2,990	0.4%
Cost of sales	2,044	2,209	(7.5%)
Operating profit *	316	189	67.9%

Financial data was rounded to NIS millions. Change percentages were calculated based on the exact data in NIS thousands.

* Starting from the first quarter of 2026, the Group's management decided that the incubator activity (TheKitchenHub) no longer constitutes a business activity component that is regularly reviewed by it for the purpose of assessing business performance or allocating resources, and therefore this activity is not included in the management report, and a restatement was performed in the amount of approximately NIS 6 million and approximately NIS 8 million for the quarters ended March 31, 2026 and 2025, respectively.

Below is the breakdown of EBITDA by the Company's activity areas (in NIS millions):

Evolution of EBITDA by Activity Areas			
	For the First Quarter		
	2026	2025	% Change
Strauss Israel	228	165	37.8%
Health & Wellness	116	112	2.9%
Fun & Indulgence (Snacks and Sweets)	59	3	1782.6%
Fun & Indulgence (Coffee Israel)	53	50	5.7%
International Coffee	153	76	102.0%
Strauss Water	36	42	(12.2%)
Other *	6	7	(25.1%)

Evolution of EBITDA by Activity Areas			
	For the First Quarter		
	2026	2025	% Change
Total EBITDA *	423	290	45.6%

Financial data was rounded to NIS millions. Change percentages were calculated based on the exact data in NIS thousands.

* Starting from the first quarter of 2026, the Group's management decided that the incubator activity (TheKitchenHub) no longer constitutes a business activity component that is regularly reviewed by it for the purpose of assessing business performance or allocating resources, and therefore this activity is not included in the management report, and a restatement was performed in the amount of approximately NIS 6 million and approximately NIS 8 million for the quarters ended March 31, 2026 and 2025, respectively.

The following is a summary of accounting profit and loss statements for the quarters ended March 31, 2026 and 2025 (in NIS million):

Summary of Accounting Profit and Loss Statements			
	First Quarter		
	2026	2025	% Change
Sales	1,986	1,887	5.2%
Cost of sales without the effect of commodity hedging	1,304	1,299	0.4%
Adjustments for commodity hedging (1)	31	(24)	-
Cost of sales	1,335	1,275	4.7%
Gross profit	651	612	6.4%
% of sales	32.8%	32.4%	-
Selling and marketing expenses	359	340	5.6%
General and administrative expenses	139	121	15.0%
Total operating expenses	498	461	8.0%
Share in profits of investees accounted for using the equity method	98	47	108.1%
Share in losses of incubator companies accounted for using the equity method	(6)	(8)	(30.3%)
Operating profit before other expenses, net	245	190	29.4%
% of sales	12.4%	10.1%	-
Other expenses, net	-	(9)	-
Operating profit after other expenses, net	245	181	35.7%
Financing expenses, net	(41)	(13)	224.5%
Profit before income taxes	204	168	21.4%
Income taxes	(33)	(57)	(42.3%)
Effective tax rate	16.3%	34.2%	-
Profit for the period	171	111	54.6%
Profit attributable to the Company's shareholders	146	86	70.7%
Profit attributable to non-controlling interests	25	25	(1.1%)

Financial data was rounded to NIS millions. Change percentages were calculated based on exact data in NIS thousands.

(1) Reflects mark-to-market accounting as of the end of the period of open positions in the Group regarding derivative financial instruments used for hedging commodity prices.

11. Adjustments to Management Reports

Adjustments for IFRS 11 – transition from the equity method in the accounting report to the proportionate consolidation method (in accordance with segment information based on management and internal reports managed by the Group).

The following are the adjustments to the Company's management reports for the quarters ended March 31, 2026 and 2025 (NIS million):

Adjustments from accounting report to management report using the proportionate consolidation method						
	First Quarter 2026			First Quarter 2025		
	Financial Statements	Change	Proportionate Consolidation Method	Financial Statements	Change	Proportionate Consolidation Method
Sales	1,986	1,015	3,001	1,887	1,103	2,990
Cost of sales without the effect of commodity hedging	1,304	740	2,044	1,299	910	2,209
Adjustments for commodity hedging (1)	31	-	31	(24)	1	(23)
Cost of sales	1,335	740	2,075	1,275	911	2,186
Gross profit	651	275	926	612	192	804
% of Sales	32.8%		30.9%	32.4%		26.9%
Selling and marketing expenses	359	139	498	340	130	470
General and administrative expenses	139	23	162	121	21	142
Company's share in profits of investees accounted for using the equity method	98	(86)	12	47	(33)	14
Operating profit before incubator companies' losses	251	27	278	198	8	206
Share in losses of incubator companies accounted for using the equity method	(6)	-	(6)	(8)	-	(8)
Operating profit before other income (expenses)	245	27	272	190	8	198
% of Sales	12.4%		9.1%	10.1%		6.6%
Other income (expenses), net	-	1	1	(9)	10	1
Operating profit after other income (expenses)	245	28	273	181	18	199
Financing expenses, net	(41)	(10)	(51)	(13)	(13)	(26)
Profit before income taxes	204	18	222	168	5	173
Income taxes	(33)	(18)	(51)	(57)	(5)	(62)
Effective tax rate	16.3%		23.0%	34.2%		36.1%
Profit for the period	171	-	171	111	-	111
Profit attributable to the Company's shareholders	146	-	146	86	-	86
Profit attributable to non-controlling interests	25	-	25	25	-	25

Financial data was rounded to NIS millions. Change percentages were calculated based on exact data in NIS thousands.

1) Reflects mark-to-market accounting as of the end of the period of open positions regarding derivative financial instruments used for hedging commodity prices and all adjustments required for the purpose of deferring the main part of the profit or loss from commodity derivatives, until the date on which the inventory is sold to external parties and/or the derivative financial instrument is realized.

Additional adjustments to management reports (share-based payment, revaluation of hedging transactions, other expenses and taxes related to these adjustments):

Additional Adjustments to Management Reports			
	First Quarter		
	2026	2025	% Change
Operating profit – according to the proportionate consolidation method – after other income (expenses), net	273	199	36.8%
Share-based payment	7	6	
Adjustments for commodity hedging (1)	31	(23)	
Other expenses, net	(1)	(1)	
Share in losses of incubator companies accounted for using the equity method (3)	6	8	
Operating profit (2) (3)	316	189	67.9%
Financing expenses, net	(51)	(26)	
Income taxes	(51)	(62)	
Taxes on adjustments to the operating profit above	(8)	5	
Profit for the period (3)	206	106	96.0%
Attributable to the Company's shareholders (3)	181	81	126.1%
Attributable to non-controlling interests	25	25	(1.1%)

Financial data was rounded to NIS millions. Change percentages were calculated based on exact data in NIS thousands.

- (1) Reflects mark-to-market accounting as of the end of the period of open positions in the Group regarding derivative financial instruments used for hedging commodity prices and all adjustments required for the purpose of deferring the main part of the profit or loss from commodity derivatives, until the date on which the inventory is sold to external parties and/or the derivative financial instrument is realized.
- (2) During the first quarter of 2025, the remaining loss totaling approximately NIS 49 million, which is included in the cost of sales line of the Company's management reports, was realized.
- (3) Starting from the first quarter of 2026, the Group's management decided that the incubator activity (TheKitchenHub) no longer constitutes a business activity component that is regularly reviewed by it for the purpose of evaluating business performance or resource allocation, and therefore this activity is not included in management reporting, and a restatement was performed in a total amount of approximately NIS 6 million and approximately NIS 8 million for the quarters ended March 31, 2026 and 2025, respectively.

12. Balance Sheet Summary

The following is a summary of the accounting balance sheet as of March 31, 2026 and as of December 31, 2025 (in NIS million):

Summary of Accounting Balance Sheet				
	As of March 31, 2026	As of December 31, 2025	% Change	Explanation
Total current assets	3,739	3,097	20.8%	The main increase resulted from an increase in cash and cash equivalents following the issuance of BONDS to the public (by way of expanding BONDS Series 6) as well as an increase in trade receivables balance in line with the increase in sales.
Of which: cash and cash equivalents balance	1,047	535	95.6%	For details regarding the change in the cash and cash equivalents item, see section 19.2 below. In accordance with the Company's policy, these assets are held mainly in liquid deposits.

Summary of Accounting Balance Sheet				
	As of March 31, 2026	As of December 31, 2025	% Change	Explanation
Total non-current assets	5,938	5,719	3.9%	The main change resulted from an increase in investments in associates due to profits of investees as well as from the effect of positive translation differences. Also, an increase in investments in fixed assets.
Total assets	9,677	8,816	9.8%	
Total current liabilities	3,334	2,998	11.3%	The main change resulted from a dividend that was declared and not yet paid to shareholders and an increase in trade payables balance.
Total non-current liabilities	2,775	2,195	26.6%	The main increase resulted from the issuance of BONDS to the public (by way of expanding BONDS Series 6) in January 2026.
Total equity attributable to majority shareholders	3,191	3,272	(2.5%)	The main decrease resulted from a dividend declared to the Company's shareholders, which was partially offset by positive translation differences and the Company's profits attributable to majority shareholders.
Total equity attributable to minority shareholders	377	351	7.1%	The change resulted from profit attributable to profits attributable to non-controlling interests.

Financial data was rounded to NIS millions. Change percentages were calculated based on exact data in NIS thousands.

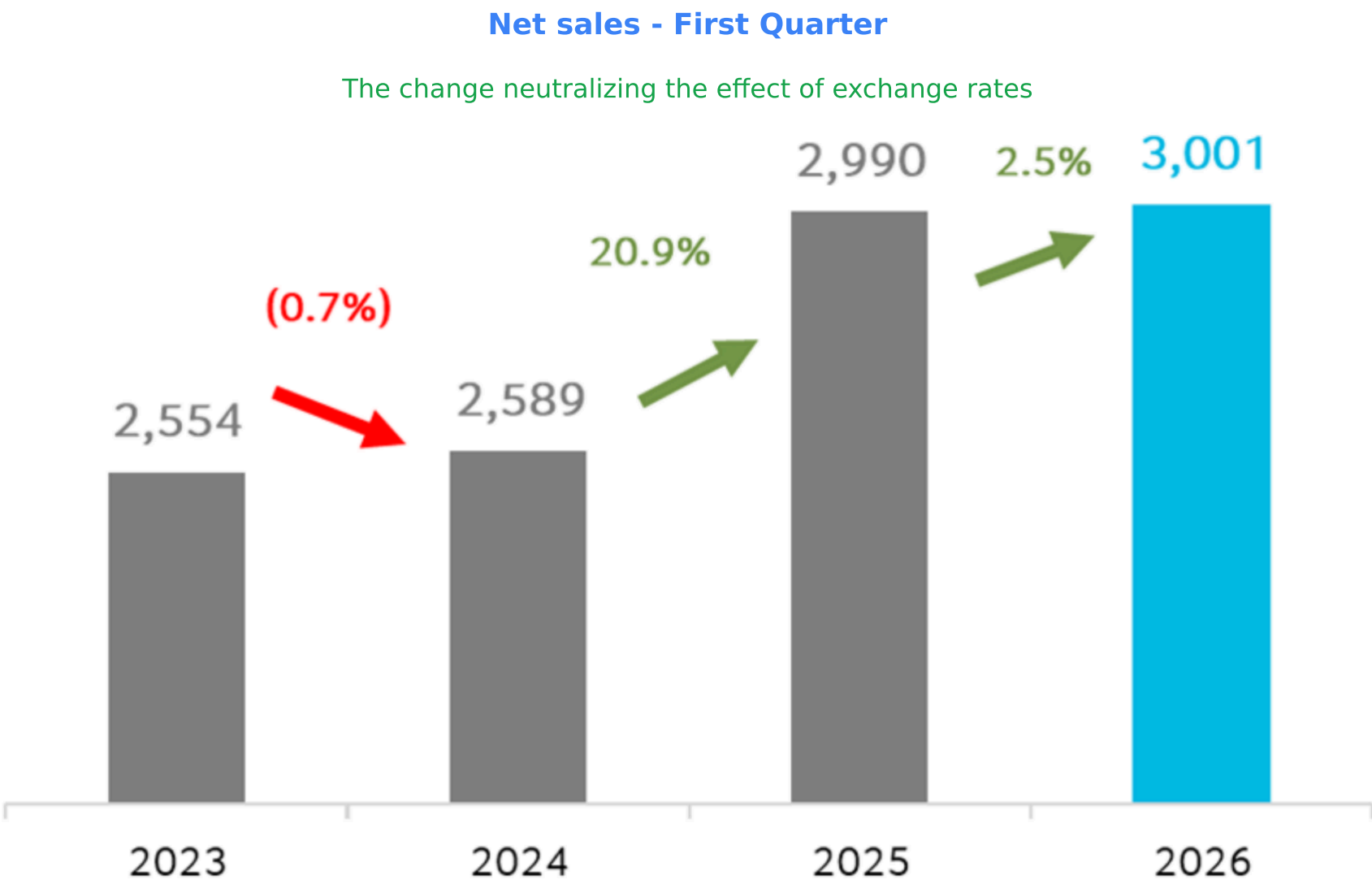
The following is the debt balance as of March 31, 2026 and as of December 31, 2025 (in NIS million):

Debt Balance				
	As of March 31, 2026	As of December 31, 2025	Change	Explanation
Gross debt - management reports	3,983	3,330	653	
Gross debt - financial statements	3,185	2,628	557	The main increase in gross debt resulted from the issuance of BONDS to the public (by way of expanding BONDS Series 6) in January 2026.
Net debt - management reports	2,354	2,223	131	
Net debt - financial statements	2,138	2,093	45	

Financial data was rounded to NIS millions. Change percentages were calculated based on exact data in NIS thousands.

13. Main comparative financial data according to the management reports

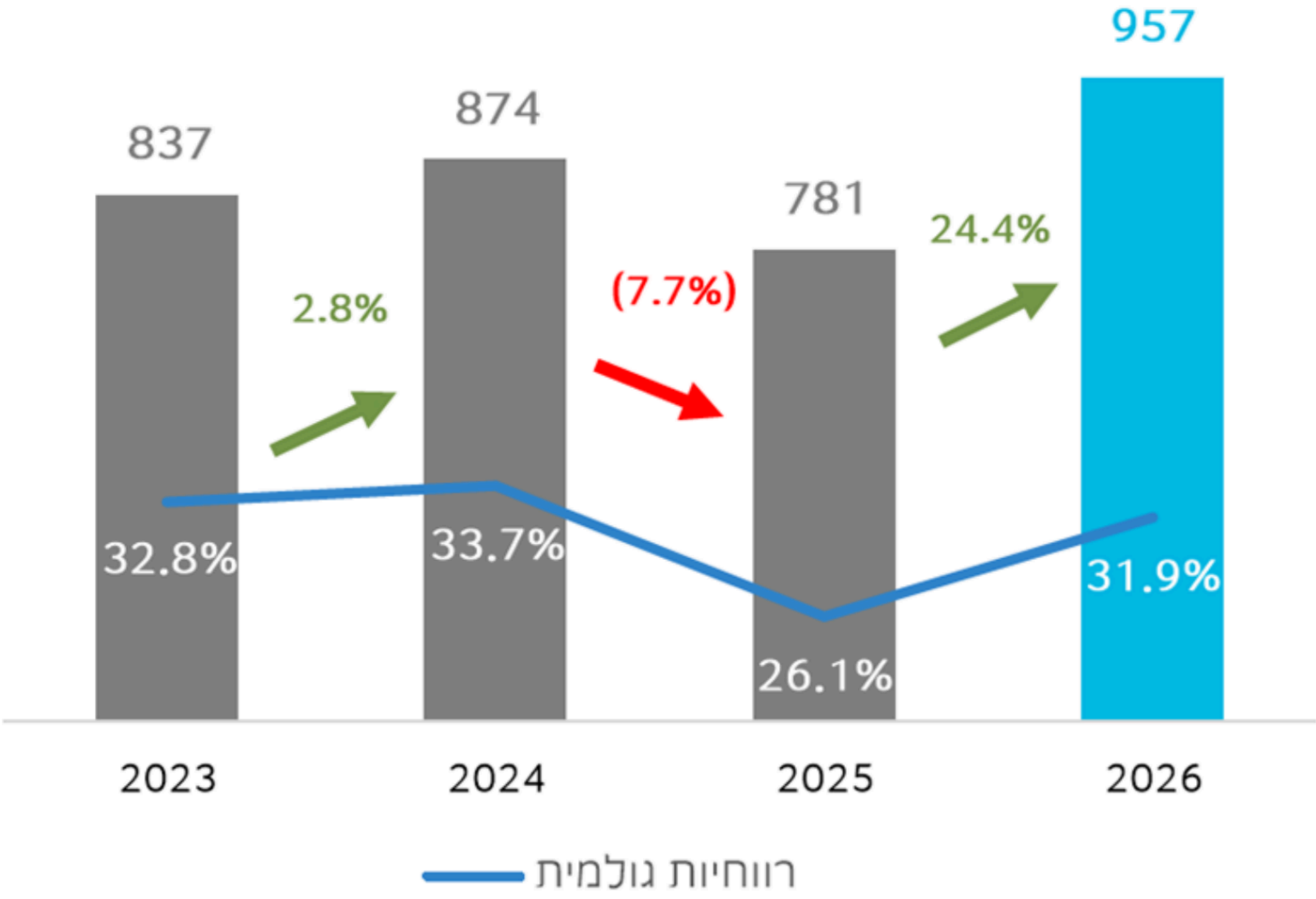
Below are main financial data, in quarterly comparison, according to the management reports:



The financial data were rounded to NIS millions. Change percentages were calculated based on the exact data in NIS thousands.

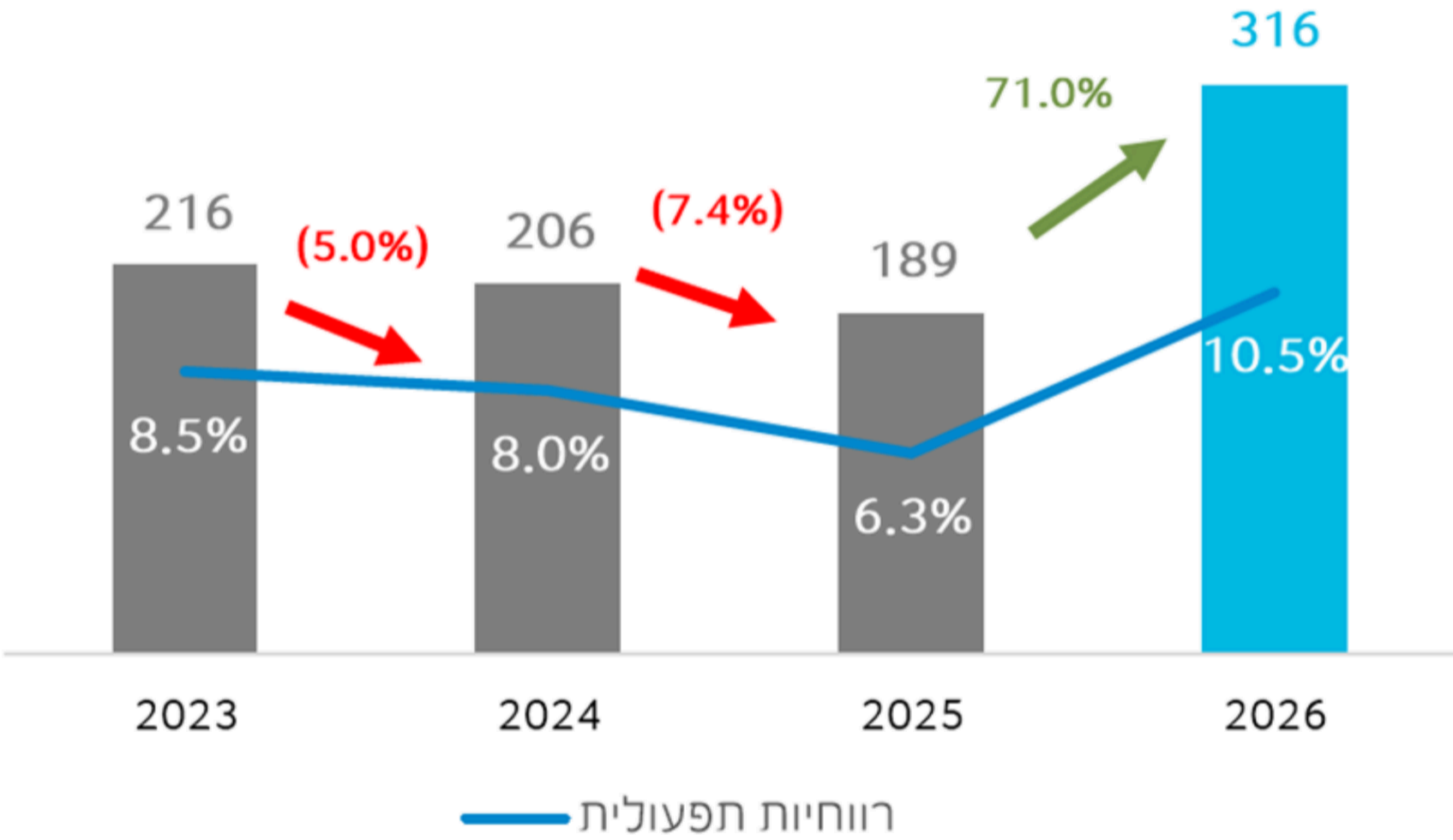
Gross Profit and Gross Profitability - First Quarter

The change neutralizing the effect of exchange rates

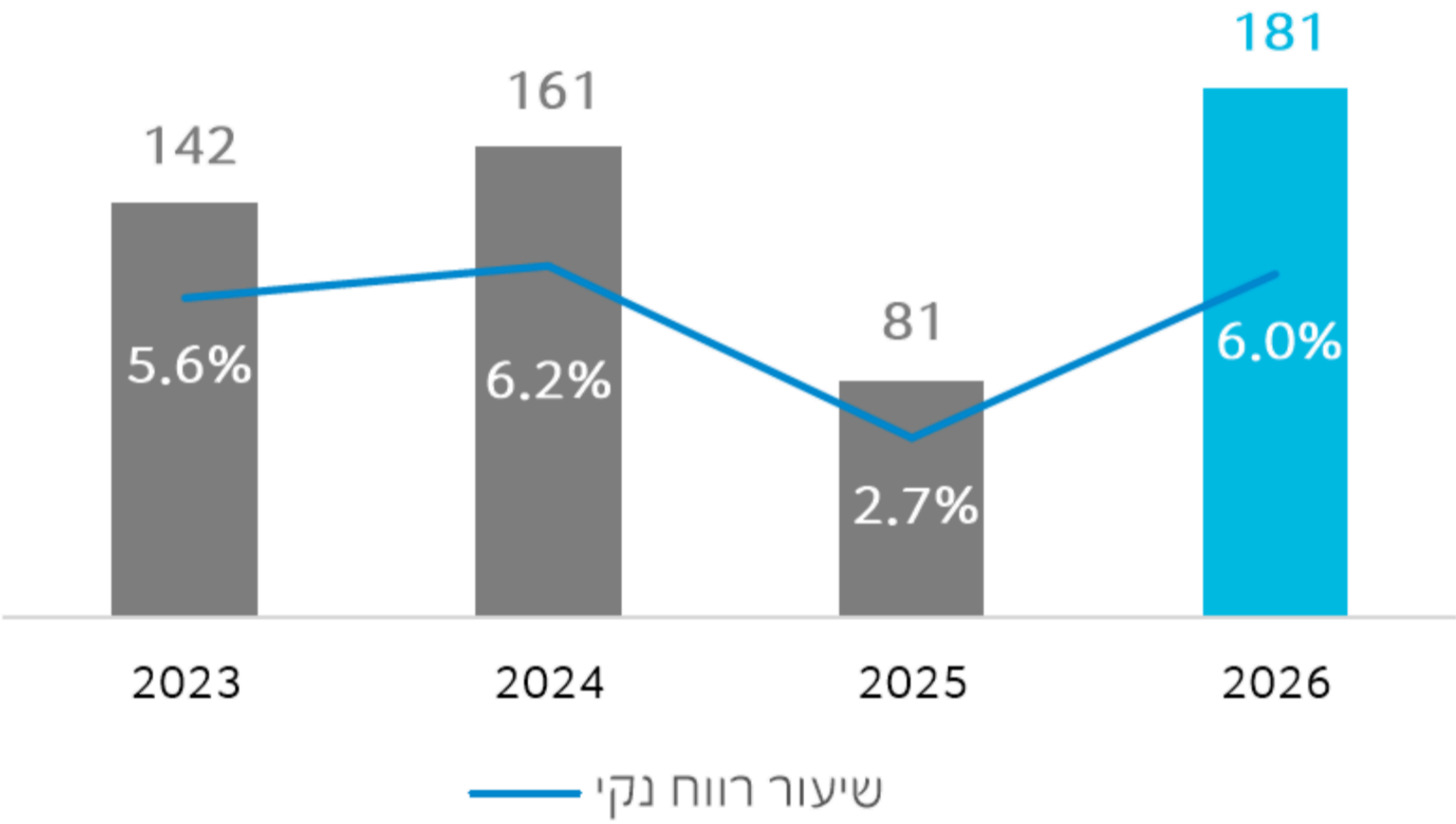


The financial data were rounded to NIS millions. Change percentages were calculated based on the exact data in NIS thousands.

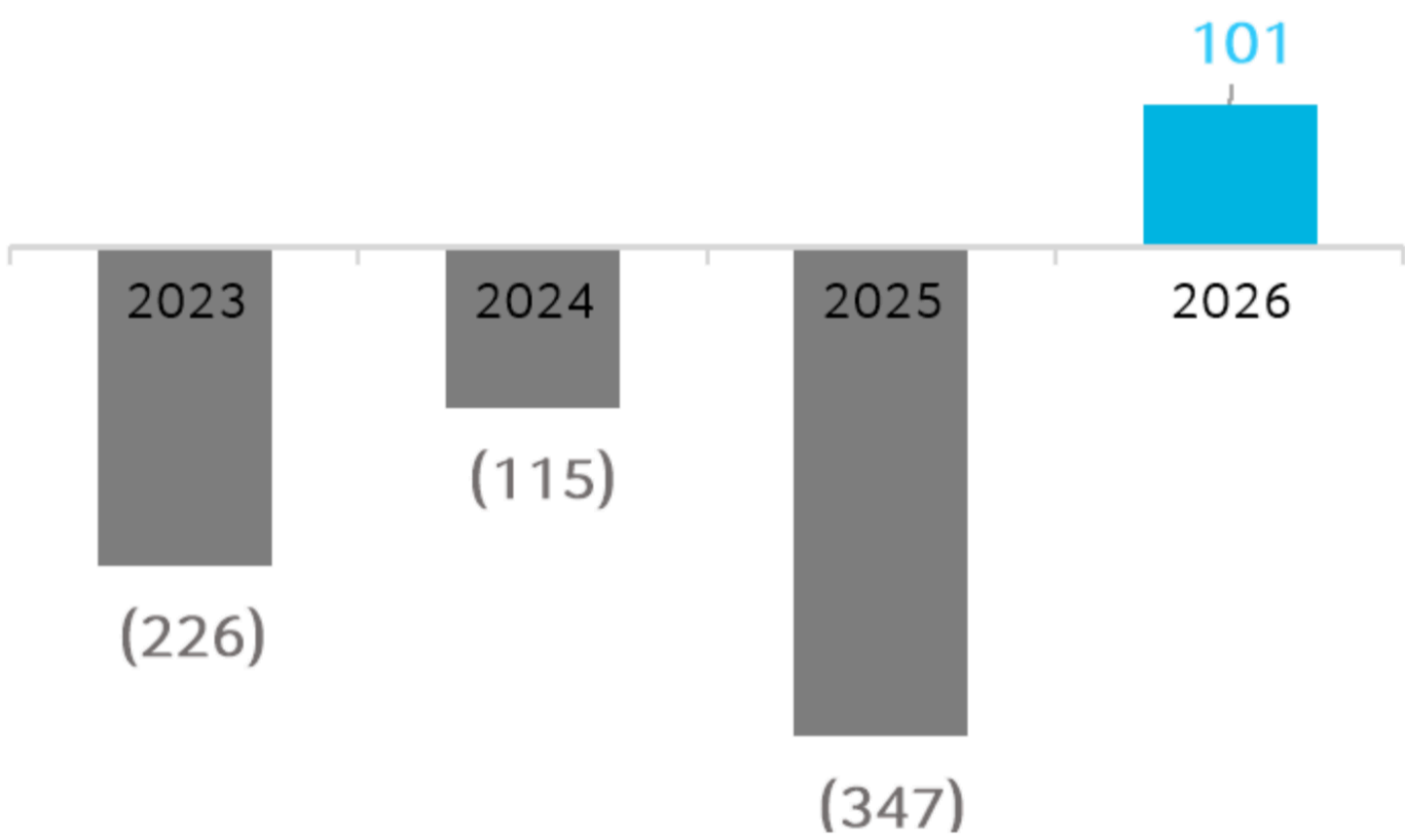
Operating Profit and Operating Profitability - First Quarter
The change neutralizing the effect of exchange rates



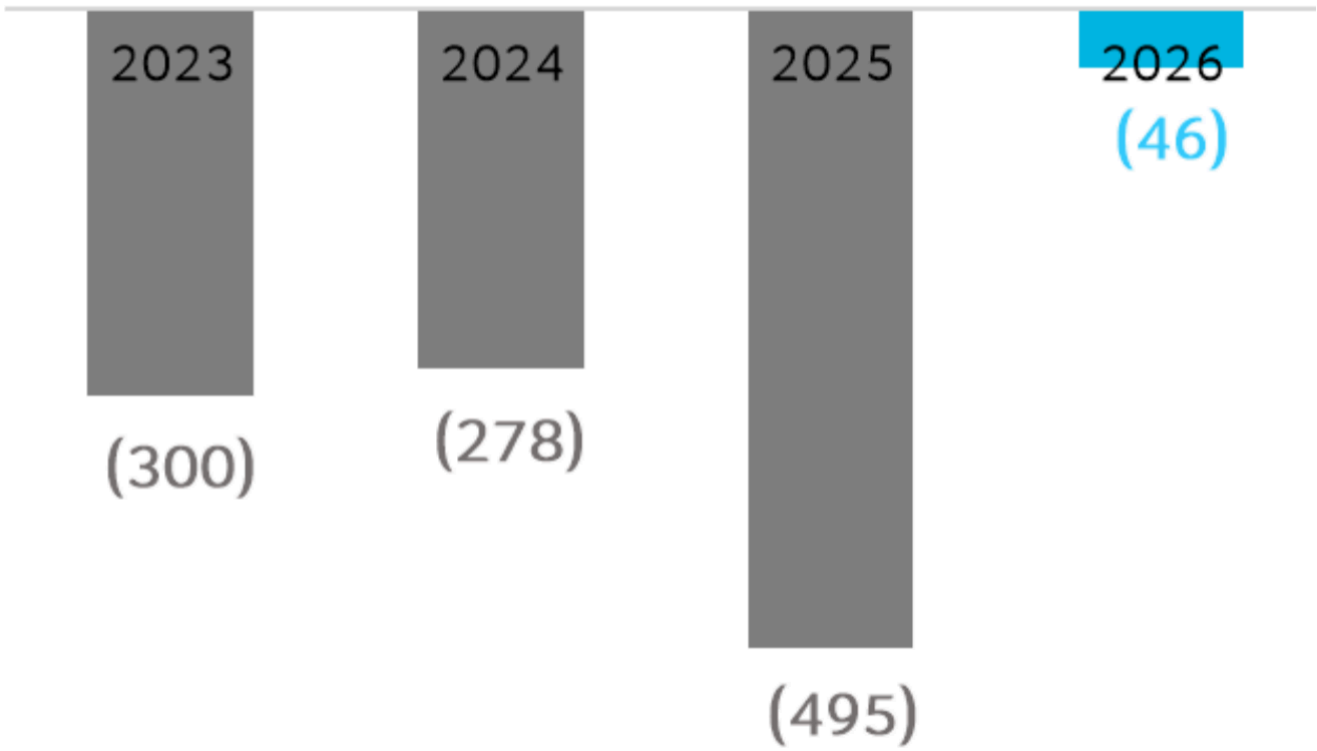
Net Profit and Net Profit Rate for Shareholders - First Quarter



Cash Flow from Operating Activities - First Quarter



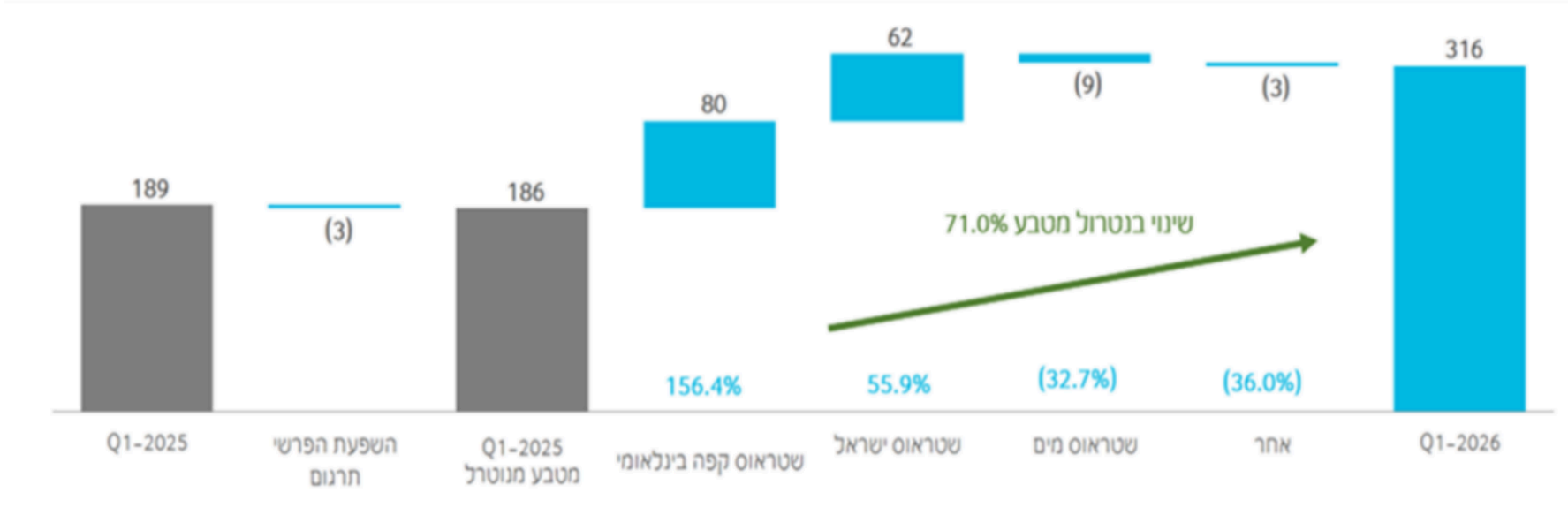
Free Cash Flow - First Quarter



14. Sales - Management

Below are the components of change in sales for the period in local currency and the rates of change by the company's business operating segments in local currency according to the management reports:

Change in Sales - First Quarter



Calculation of the effect of translation differences is performed based on the average exchange rates in the relevant period. Financial data was rounded to NIS millions. Percentage changes were calculated based on the exact data in NIS thousands.

The Group's sales in the first quarter of 2026 were affected by negative translation differences, which mainly resulted from the weakening of the average exchange rate of the Brazilian Real against the NIS compared to the corresponding period last year.

For further explanations regarding the change in the Group's sales in local currency, see sections 18.1, 18.2, and 18.3 below.

15. Gross Profit - Management

Gross Profit - Management				
	First Quarter			
	2026	2025	% Change	% Change excluding the effect of translation differences into NIS
Gross Profit	957	781	22.6%	24.4%
Gross Profitability	31.9%	26.1%		

Financial data was rounded to NIS millions. Percentage changes were calculated based on the exact data in NIS thousands.

The Group's management gross profit in the first quarter of 2026 was negatively affected by exchange rates, which amounted to approximately NIS 11 million, mainly resulting from the weakening of the average exchange rate of the Brazilian Real against the NIS compared to the corresponding period last year.

For further explanations regarding the change in the Group's gross profit, see sections 18.1, 18.2, and 18.3 below.

16. Operating Profit - Management

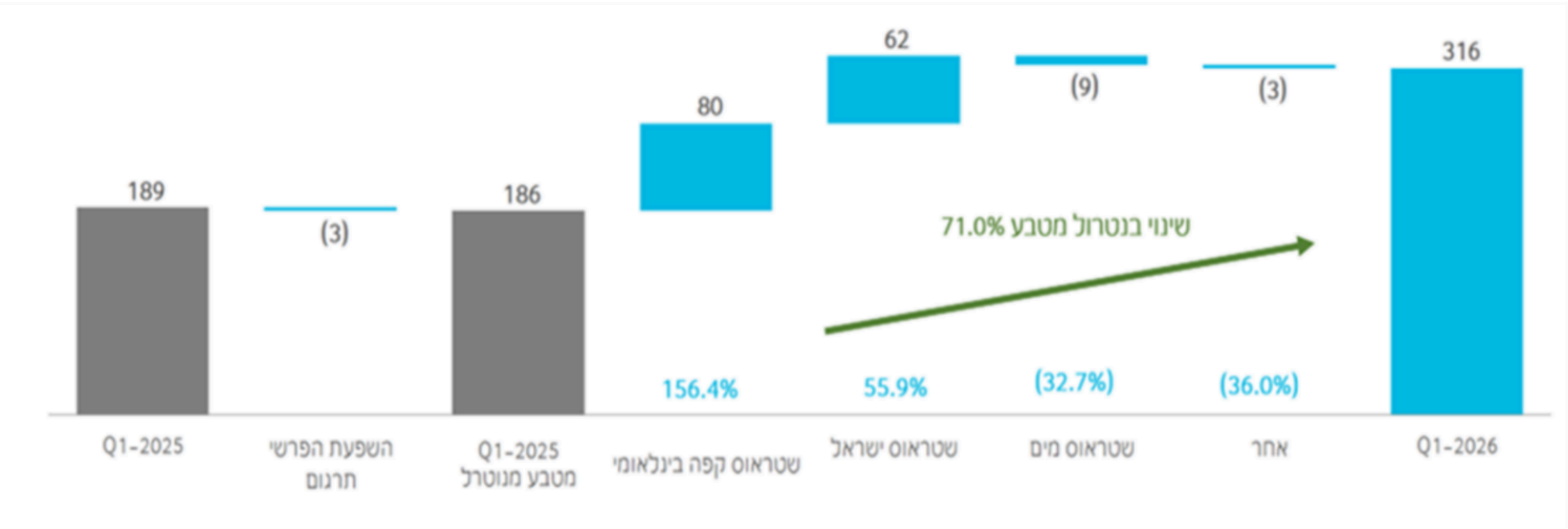
Operating Profit - Management				
	First Quarter			
	2026	2025	% Change	% Change excluding the effect of translation differences into NIS
Operating Profit *	316	189	67.9%	71.0%
Operating Profitability	10.5%	6.3%		

Financial data was rounded to NIS millions. Percentage changes were calculated based on the exact data in NIS thousands.

* Starting from the first quarter of 2026, the Group's management decided that the incubator activity (TheKitchenHub) no longer constitutes a business operating component reviewed by it on an ongoing basis for the purpose of assessing business performance or allocating resources. Therefore, this activity is not included in the management report, and a restatement was performed in the comparative figures in the amount of approximately NIS 6 million and NIS 8 million for the quarters ended March 31, 2026 and 2025, respectively.

Below are the components of change in operating profit compared to the corresponding period last year, by the company's business operating segments:

Change in Operating Profit - First Quarter



Calculation of the effect of translation differences is performed based on the average exchange rates in the relevant period.
Financial data was rounded to NIS millions. Percentage changes were calculated based on the exact data in NIS thousands.

For further explanations regarding the change in the Group's operating profit, see sections 18.1, 18.2, and 18.3 below.

17. Comprehensive Income for the Period (According to the Financial Report)

The financial comprehensive profit in the first quarter of 2026 amounted to approximately NIS 186 million, compared to a comprehensive profit of approximately NIS 267 million in the corresponding period last year. In the first quarter of 2026, profits from translation differences, which are the main component of other comprehensive income, amounted to approximately NIS 15 million, compared to profits from translation differences of approximately NIS 156 million in the corresponding period last year.

18. Analysis of the Results of the Core Business Units

Below are the Group's sales in the Israel geography, which includes the activity segments Health & Wellness, Fun & Indulgence (Snacks & Sweets), Fun & Indulgence (Coffee Israel) and Strauss Water Israel (Tami 4) activities:

Data regarding Strauss Group sales in the Israel geography				
	First Quarter			Explanation
	2026	2025	% Change	
Group sales in the Israel geography	1,665	1,588	4.9%	The increase was mainly due to updating selling prices, quantitative growth and improvement in the mix. Additionally, growth in the Strauss Water segment following an increase in the customer base and the mix of products sold.

Financial data were rounded to NIS millions. Change percentages were calculated based on the exact data in NIS thousands.

18.1. Israel Activity Framework

Below is a summary of the business activity results based on the management reports of the Israel activity framework by activity segments for the quarters ended March 31, 2026 and 2025:

Summary of results of the Israel Activity Framework				
	First Quarter			Explanation
	2026	2025	% Change	
Net sales	1,459	1,396	4.5%	The increase in sales was due to updating selling prices (following the rise in raw material prices), quantitative growth and improvement in the sales mix.
Gross profit	525	449	17.1%	
Gross profit %	36.0%	32.2%		The improvement in gross profitability was due to the recording of losses from cocoa commodity derivatives during the first quarter of 2025, selling price adjustments (in light of the increase in raw material costs), and the strengthening of the Shekel.
Operating profit	175	113	55.9%	The improvement in operating profitability was mainly due to the improvement in gross profitability as mentioned above.
Operating profit %	12.0%	8.1%		

Financial data were rounded to NIS millions. Change percentages were calculated based on the exact data in NIS thousands.

Summary of results of the Israel Activity Framework by Segments				
	2026	2025	% Change	Explanation
	First Quarter			
Health & Wellness Segment				
Net sales	775	742	4.4%	The increase in sales results from quantitative growth, alongside an update in selling prices following a government decision to update prices for supervised products. The increase in operating profit was due to sales growth as well as the implementation of productivity measures, which were partially offset by increases in raw material prices, among others in raw milk, as well as an increase in manufacturing and marketing expenses. The decrease in profitability results from an increase in manufacturing expenses and marketing effort during the period.
Cost of sales	484	467	3.8%	
Operating profit	90	88	2.0%	
Operating profit %	11.6%	11.9%		
Fun & Indulgence (Snacks & Sweets) Segment				
Net sales	428	394	8.5%	The increase in sales results from updating selling prices following the rise in raw material costs, as well as quantitative growth during the quarter. The increase in profit and profitability was mainly due to the recording of a loss of NIS 49 million from cocoa commodity derivatives during the first quarter of 2025, from updating selling prices (due to raw material price increases) and from the strengthening of the Shekel. The improvement in operating profit and profitability is also evident when neutralizing the aforementioned losses from cocoa derivatives.
Cost of sales	293	322	(9.0%)	
Operating profit (loss)	40	(16)		
Operating profit %	9.5%	(4.2%)		
Fun & Indulgence (Coffee Israel) Segment				
Net sales	256	260	(1.2%)	The decrease in sales resulted from exiting the Elite Coffee chain activity during 2025. Excluding the sale of 'Elite Coffee' chain activity, there was an increase in sales following updates to selling prices carried out during 2025 and from quantitative growth. The improvement in profit and profitability results from foreign exchange benefits and from mix improvement.
Cost of sales	157	158	(0.8%)	
Operating profit	45	41	9.7%	
Operating profit %	17.5%	15.7%		

Financial data were rounded to NIS millions. Change percentages were calculated based on the exact data in NIS thousands.

- As part of the strategic decision to strengthen the Group's presence in plant-based solutions as stated in Section 23 of the Corporation's Business Description Report for 2025, in August 2025 the Group began partial production activity in the new plant for the production of plant-based milk substitute products, which has since expanded to several products and has not yet reached full activity. The plant is part of the "Michael" manufacturing campus, and is located in the Bar-Lev (Ahihud) industrial zone, alongside the Ahihud dairy owned by the Group. For further details see Section 8.2.1 of the Corporation's Business Description Report for 2025.
- Further to the government decision dated April 23, 2026 on increasing the prices of supervised dairy products at a rate of up to 1.2% (price increase rate for the retailer), the Group notified its customers that some of its dairy products will be updated accordingly at a rate of up to 1.2% starting from June 1, 2026.
- Further to Note 15.2 in the consolidated financial report for 2025 regarding supplier financing arrangements, the suppliers' balance as of March 31, 2026 who sold the Company's debts in the Israel activity is approximately NIS 88 million (as of March 31, 2025, approximately NIS 98 million).

18.2. International Coffee Activity Field

According to Euromonitor¹ data, in 2025 the Group's coffee activity (including 100% of the Três Corações joint venture (JV) activity and the Coffee Israel activity (which is included in the "Fun & Indulgence (Coffee Israel)" segment)) is the third largest in the global retail coffee market in terms of market share in financial value terms, where in 2025, the market share is approximately 2.8% of the global coffee market in financial value terms.

For further details regarding the Group's activity in the international coffee field, see Section 9.1.1 of the Corporation's Business Description Report for 2025.

After several years of an upward trend in Arabica and Robusta coffee prices (from 2021 until 2025), during 2026 there was a slight decrease in coffee prices which mainly affected the material cost and selling prices in Brazil at this stage. For further details regarding raw material prices (and specifically green coffee) and other production inputs, and how the Company manages its exposure to them, see Section 5 above.

For details regarding the Russia-Ukraine war see Section 4 above.

1 Based on the Euromonitor data report published on November 17, 2025.

Further to Note 15.2 to the financial reports for 2025 regarding supplier financing arrangements, the suppliers' balance as of March 31, 2026 who sold the Company's debts in the international coffee activity is approximately NIS 499 million (as of March 31, 2025, approximately NIS 384 million).

Below is a summary of the business activity results based on the management reports of the international coffee activity field for the quarters ended March 31, 2026 and 2025 (in NIS millions):

Summary of results of the International Coffee Activity Field				
	First Quarter			Explanation
	2026	2025	% Change	
Net sales	1,322	1,388	(4.7%)	The decrease in sales mainly results from the impact of exchange rates, primarily the strengthening of the Shekel against the Brazilian Real, compared to the same period last year. For further details, see "International coffee activity field sales by major geographic regions" in Section 18.2.1 below.
Cost of sales	996	1,155	(13.8%)	The decrease in cost of sales resulted from a decrease in green coffee prices, mainly in Brazil.
Operating profit	132	55	141.6%	The increase in operating profit and profitability was mainly due to a decrease in green coffee prices and was partially offset by a decrease in selling prices in Brazil and an increase in variable operating expenses and marketing expenses.
Operating profit %	10.0%	3.9%		

Financial data were rounded to NIS millions. Change percentages were calculated based on the exact data in NIS thousands.

18.2.1. Sales of the International Coffee activity segment by key geographical regions:

Below is the sales volume of the International Coffee activity segment in NIS millions in the key geographical regions (neutralizing inter-company sales) and the growth rates for the quarters ended March 31, 2026 and 2025 (in NIS millions):

Sales of the International Coffee segment by key geographical regions					
Geographical region	First Quarter				Explanation
	2026	2025	% Change	% Change in local currency (1)	
Brazil - Três Corações (2) (3) 50%	911	1,008	(9.6%)	(5.8%)	The decrease in Três Corações sales in local currency was mainly due to a decrease in selling prices following the decrease in coffee prices. The company's sales were negatively impacted due to the strengthening of the NIS against the Brazilian Real in a total of approximately NIS 41 million. For further details see section 18.2.2 below.
Russia	151	132	14.6%	15.8%	The growth in sales in local currency was mainly due to an increase in quantities sold. The company's sales were positively impacted by a total of approximately NIS 1 million due to the weakening of the NIS against the Ruble.
Ukraine	43	43	1.3%	21.6%	The growth in sales in local currency was mainly due to an update of selling prices. The company's sales were negatively impacted by a total of approximately NIS 7 million due to the strengthening of the NIS against the Hryvnia.
Poland	156	149	4.6%	10.7%	The growth in sales in local currency was mainly due to an update of selling prices. Sales were negatively impacted due to the strengthening of the NIS against the Polish Zloty in a total of approximately NIS 8 million.
Romania	61	56	9.1%	16.3%	The growth in sales in local currency was mainly due to an update of selling prices which was partially offset by a decrease in quantities sold. The company's sales were negatively impacted due to the strengthening of the NIS against the Romanian Leu in a total of approximately NIS 3 million.
Total International Coffee	1,322	1,388	(4.7%)	(0.3%)	

The financial data was rounded to NIS millions. The percentage changes were calculated based on the precise data in NIS thousands.

(1) The growth rate in local currency neutralizes the impact of the change in exchange rates in the different countries relative to the NIS on the growth of the countries' sales.

(2) Três Corações (Brazil) - a jointly controlled company (50%) of the Group and of the São Miguel Group (50%) (the data reflects the share of Strauss Coffee (50%)).

(3) Três Corações sales after neutralizing inter-company sales between Três Corações Alimentos S.A. and Strauss Coffee company.

18.2.2. (JV)¹ Três Corações Alimentos S.A - a jointly controlled company (50%) of the Group and of the São Miguel Group (50%) (the data reflects the share of Strauss Coffee International (50%))

In the financial report, the Group's share in activity is treated on the basis of the equity method.

Below are selected financial data for TRÊS CORAÇÕES activity in million Brazilian Real (the data below are presented according to the Group's relative share (50%)):

Selected financial data for Três Corações activity				
	First Quarter		% Change in local currency	Explanation
	2026	2025		
Sales	1,546	1,641	(5.8%)	The decrease in sales stems mainly from a decrease in selling prices following the decrease in green coffee prices.
Gross Profit	373	246	51.4%	The increase in profit and gross profitability stems mainly from a decrease in green coffee prices which was partially offset by a decrease in selling prices.
Gross Profitability	24.1%	15.0%		
Operating profit before other income / expenses	155	48	220.7%	The increase in operating profit and operating profitability stems mainly from the increase in gross profit, and was partially offset by an increase in marketing expenses and variable operating expenses.
Operating Profitability	10.0%	2.9%		

The financial data was rounded to millions of Reals. The percentage changes were calculated based on the precise data in thousands of Reals.

¹ The Group's activity in Brazil also includes a holding in joint control (50%) together with the São Miguel Group (50%) in the sister company Três Corações Imóveis, whose results are not material in relation to the Group's overall activity.

Below are selected financial data for TRÊS CORAÇÕES activity in NIS millions* (the data below are presented at 50%):

Selected financial data for Três Corações activity			
	First Quarter		
	2026	2025	% Change
Sales	917	1,014	(9.6%)
Gross Profit	221	152	45.2%
Operating profit before other income / expenses	92	30	206.7%

The financial data was rounded to NIS millions. The percentage changes were calculated based on the precise data in NIS thousands.

* The financial data was translated according to average exchange rates for the period.

18.3. Strauss Water activity segment

The Group operates in the drinking water market, through Strauss Water Ltd., and is engaged in the development, manufacturing (through subcontractors), assembly, sale, marketing, and service of water systems for filtration, purification, and carbonation of drinking water at the point of use (POU – Point Of Use). As of the date of the report, the activity is performed mainly in Israel under the brand "Tami 4". In addition, the Group has activity on a non-material scale in England, which began in January 2023 and is performed in cooperation with the Culligan Group (49%) under the brand "Our Taap" which was launched in 2025, with the expiration of the license to use the "Virgin Pure" brand. Furthermore, Strauss Water has a material investment (49%) in an associate (HSW) which is a joint venture established by Strauss Water with the Haier Group operating in China, mainly in the field of filtration and purification of drinking water at points of use (POU) and also engages in water filtration at home entrances (POE). In Israel, water filtration, purification, and carbonation devices are sold to end customers, integrated with service agreements for consumables. For further details regarding the service agreement and its terms, see Section 10.2 of the Description of the Corporation's Business report for 2025. The Group has arrangements with third parties regarding the advancement of part of the payments where customer debts are discounted on a 'non-recourse' basis for sale and service agreements of water bars. For further details, see Note 8.5 to the consolidated financial statements for December 31, 2025. The company works to develop new products and expand its product portfolio, such as the "Shabbat" water bar intended for the Shabbat-observant public which was launched in September 2025.

Below is a summary of business activity results based on the management reports of the Strauss Water activity segment for the quarters ended March 31, 2026 and 2025 (in NIS millions):

Summary of Strauss Water activity segment results				
	First Quarter			Explanation
	2026	2025	% Change	
Net Sales	220	206	6.4%	The main increase in sales stems mainly from an increase in the customer base in Israel as well as from the mix of products sold.
Cost of Sales	114	107	6.6%	The main increase stems from the increase in sales of devices, as well as from the mix of products sold.
Operating profit	17	26	(33.1%)	The operating profit and operating profitability were negatively affected by the "Lion's Roar" campaign and also from actions taken by the company in investments in product developments, marketing, and improvement of sales channels, and also from the decrease in HSW profit due to the intensification of competition in the Chinese market which was partially offset by the growth in sales and from operational efficiency.
% Operating profit	7.8%	12.5%		

The financial data was rounded to NIS millions. The percentage changes were calculated based on the precise data in NIS thousands.

18.3.1. Results of Haier Strauss Water (HSW) ¹

The following are selected financial data for the operations of Haier Strauss Water company in million Yuan (the data below is presented at 100%):

Summary of HSW Activity Results				
Million Yuan	First Quarter			Explanation
	2026	2025	% Change	
Sales	498	456	9.2%	Most of the growth resulted from an improvement in the sales mix and an increase in marketing efforts.
Net Profit	56	62	(9.5%)	The primary decrease in net profit resulted from investments made in product development, marketing, and the improvement of sales channels.

The financial data were rounded to millions of Yuan. Change percentages were calculated based on the exact data.

The following are selected financial data for the operations of Haier Strauss Water company in NIS million* (the data below is presented at 100%):

Summary of HSW Activity Results			
NIS millions	First Quarter		
	2026	2025	% Change
Sales	226	227	(0.5%)
Net Profit	25	31	(18.5%)

The financial data were rounded to NIS million. Change percentages were calculated based on the exact data in NIS thousands.

* The financial data was translated according to average exchange rates for the period.

¹ Includes HSW results and the additional manufacturing plant in China as detailed in Section 10.13 of the Corporation's Business Description Report for 2025.

18.4. Other Activities

The Group has various activities that do not meet the quantitative threshold for presentation in the Company's financial statements as reportable segments or the criteria for aggregation and separate presentation as a reportable segment and which are included in the financial statements as of December 31, 2025, as the "Other Activities" segment, which mainly includes the activities of the Group's headquarters.

Liquidity, Sources of Financing and Financial Position

2,138

Net debt

3,185

Gross debt

iLAA+

S&P Maalot Rating
With a stable outlook

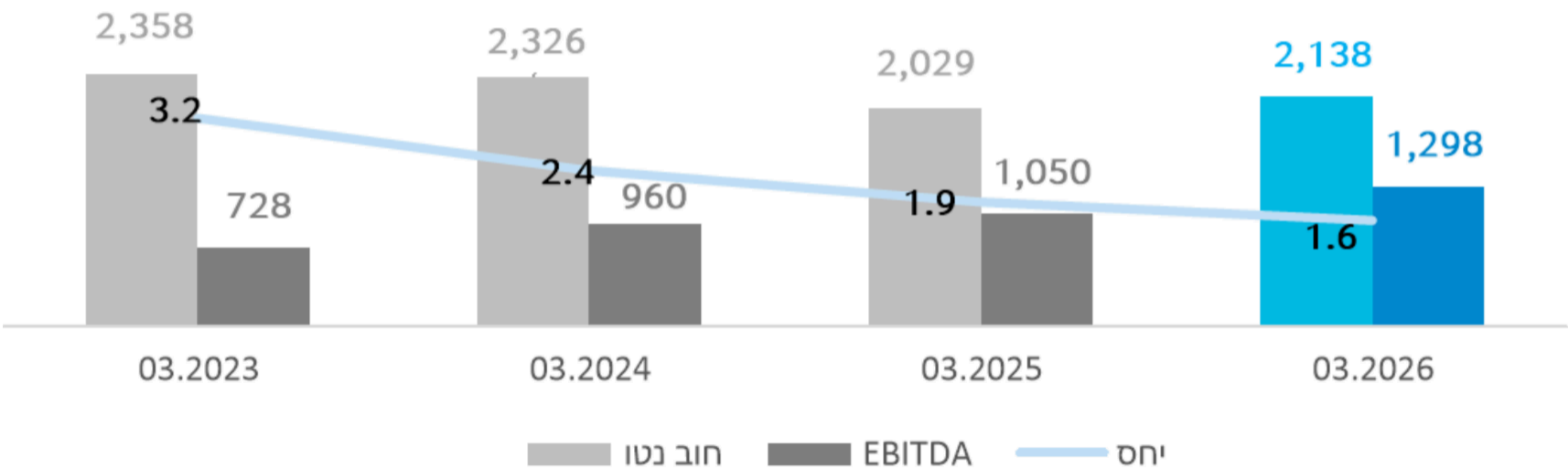
Aa1il

Midroog Rating
With a stable outlook

4.46

Duration

יחס חוב נטו ל- EBITDA



The financial data are accounting data in NIS millions. The percentage data were calculated based on the exact data in NIS thousands.

The net debt to accounting EBITDA ratio decreased compared to the corresponding period last year due to a significant improvement in operating profit.

19. Liquidity

19.1 Credit Rating

On March 31, 2026, the rating agency S&P Global Ratings Maalot Ltd. (Maalot) announced that it had confirmed the Company's rating and the rating of the Company's BONDS, iLAA+ with a stable outlook; for further details, see the immediate report dated March 31, 2026 (Reference No.: 2026-15-030985). On June 16, 2025, the Company announced that the rating agency Midroog maintained a rating of Aa1.il for the Company's BONDS and changed the rating outlook to stable from negative; for further details, see the immediate report dated June 16, 2025 (Reference No.: 2025-01-042952).

In January 2026, the Company raised BONDS totaling NIS 671.5 million par value through an expansion of Series 6 BONDS. The issuance proceeds amounted to approximately NIS 588 million, net of issuance costs, and will be used by the Company for refinancing existing debts and for ongoing business activity.

On January 21, 2026, the rating agency S&P Global Ratings Maalot Ltd. (Maalot) announced the assignment of an ilAA+ rating with a stable outlook for the issuance of BONDS (Series 6) by way of expansion in an amount of up to NIS 675 million par value; for further details, see the immediate report dated January 21, 2026 (Reference No.: 2026-15-008446). On January 21, 2026, the rating agency Midroog announced the assignment of an Aa1.il rating with a stable outlook for the issuance of BONDS (Series 6) by way of expansion in an amount of up to NIS 675 million par value; for further details, see the immediate report dated January 21, 2026 (Reference No.: 2026-15-008505).¹

¹ For the sake of completeness, it should be noted that the two rating reports dated January 21, 2026, constitute update notices to previous rating notices from the aforementioned companies, and that the aforementioned rating is for the issuance of BONDS (Series 6) by way of expansion in an amount of up to NIS 675 million par value, instead of the NIS 600 million par value amount previously rated.

19.2 Various Cash Flows

Below is information regarding the accounting cash flows resulting from (used in) the Group's operating activities and investing and financing activities:

Cash Flows				
	First Quarter			Explanation
	2026	2025	Change	
Cash flows from operating activities	157	(93)	250	The primary improvement resulted from a lower negative change in working capital compared to the same period last year, in addition to tax receipts and a decrease in interest payments.
Cash flows from investing activities	(134)	(105)	(29)	The primary change resulted from a change in deposits compared to last year and dividend receipts from investees.
Cash flows from financing activities	495	(502)	997	The primary change resulted from an increase in long-term credit due to the issuance of BONDS to the public (by way of expansion of Series 10) during the first quarter of 2026, compared to a net decrease in short-term credit and dividend payment to shareholders in the same period last year.

Financial data rounded to NIS millions.

19.3 Average Credit Volume

Below is information regarding the average credit volume:

Average Credit Volume				
	First Quarter		Change	Explanation
	2026	2025		
Average long-term credit volume according to management reports	3,679	3,139	540	The decrease in the average short-term credit volume results mainly from net repayments of loans and short-term bank credit; the increase in the average long-term credit volume results mainly from the issuance of BONDS to the public (expansion of Series 10) in January 2026.
Average short-term credit volume according to management reports	95	244	(149)	
Average long-term credit volume according to financial statements	3,021	2,461	560	
Average short-term credit volume according to financial statements	20	207	(187)	

Financial data rounded to NIS millions.

19.4 Report on status of liabilities by maturity dates

See T-126 which is published concurrently with the publication of the financial statements.

19.5 Working Capital

Below is information regarding the change in working capital:

Change in Working Capital		
	First Quarter	
	2026	2025
Change in cash flow working capital according to financial statements	(104)	(313)
Change in cash flow working capital according to management reports	(275)	(617)

Financial data rounded to NIS millions.

19.6 Customer and supplier financing arrangements

The Group occasionally performs factoring transactions of customer debts on a non-recourse basis. The Group also participates in financing arrangements with a financing entity within which the Group's suppliers can sell the Group's debts to the financing entity. For further details, see sections 18.1 and 18.2 above and also, Note 8.5 and Note 15.2 to the consolidated financial statements as of December 31, 2025.

19.7 Additional Information regarding Liquidity and Operating Cash Flow

Below are additional financial accounting data regarding the Company's liquidity:

Additional Data			
	As of March 31, 2026	As of March 31, 2025	As of December 31, 2025
Liquidity ratio	1.12	0.98	1.03
Volume of liabilities for long-term loans and credit (including current maturities)	3,185	2,402	2,558
Volume of short-term credit (excluding current maturities)	-	63	70
Volume of supplier credit	1,540	1,562	1,530
Ratio of equity attributable to the Company's shareholders out of total assets in the consolidated statement of financial position	33.0%	35.9%	37.1%
Financial debt to EBITDA ratio	1.6	1.9	1.7
Equity attributable to the Company's shareholders	3,191	3,167	3,272

Financial data rounded to NIS millions.

20. Disclosure regarding the examination of warning signs for a working capital deficit in accordance with Regulation 10(b)(14)(a)

In the Company's separate report (Solo) for the first quarter of 2026, there is a working capital deficit of approximately NIS 333 million. In the Company's consolidated report for the first quarter of 2026, there is a positive working capital of approximately NIS 405 million. In both the consolidated report and the solo report, there is no continuous negative cash flow from operating activities. In light of the existence of a working capital deficit in the Company's solo report, on May 19, 2026, the Company's board of directors examined the Company's liquidity as detailed below and determined that the said working capital deficit does not indicate a liquidity problem in the Company. This decision is based on an examination, inter alia, of the Company's financial results as reported in the Company's financial statements as of March 31, 2026, as well as data regarding the Company's expected cash flow for the next two years, given the Company's existing and expected liabilities, including the Company's liabilities to BONDS holders (Series 5 and Series 6) of the Company and to banking corporations and their maturity dates, and an examination of the existing and expected sources for repayment of these liabilities and the sources resulting from the Company's holdings in its main investees, including dividend receipts, loan repayments from investees, raising funds from banking corporations and/or other sources as necessary; and also on the financial stability of the Company's main investees and their leading competitive position in the markets in which these companies operate. In addition, the Board of Directors examined sensitivity tests on the Company's expected cash flow for the next two years and determined that the said working capital deficit does not indicate a liquidity problem in the Company.

It should be clarified that the aforementioned assessment of the Board of Directors constitutes forward-looking information, as defined in the Securities Law, 1968, which is primarily based on the Company's forecasts and the Company's analysis of its actual cash flow during the period since the end of the year and its future cash flow, its existing and expected liabilities, the Company's existing assets, the Company's expectations regarding future profits and dividend distribution of investees, and more. These assessments may not materialize, in whole or in part, or may materialize differently, including materially, than estimated, inter alia, as a result of market behavior and the realization of the risk factors mentioned in Section 25 of the Description of the Corporation's Business report included in the Periodic report for 2025.

21. Details Related to a Series of Indebtedness Certificates

The following are several financial data items regarding the series of indebtedness certificates as of March 31, 2026:

Details Related to a Series of Indebtedness Certificates			
		BONDS Series E	BONDS Series F
A	Nominal par value	241	2,158
B	Book value of the BONDS	241	1,949
C	Book value of interest payable	2	10
D	Market value	240	1,891

Financial data were rounded to millions of NIS.

As of March 31, 2026, the equity attributed to the company's shareholders is NIS 3,191 million, the financial debt to EBITDA ratio according to the financial statements is 1.6 and the equity to balance sheet ratio is 33.0%. As of March 31, 2026, the company meets the required financial covenants. For details regarding the financial covenants of the indebtedness certificates, see Note 18.5 to the consolidated financial statements as of December 31, 2025.

Corporate Governance Aspects

22. Sustainability, Corporate Responsibility, Social Investment and Donations

For details regarding the Group's purpose, see Section 23 of the Corporation Business Description Report for 2025.

Sustainability Strategy 2030

The Group continues to act to realize its sustainability strategy and publishes a sustainability report once a year on a dedicated website. The report is written according to the GRI and SASB international reporting standards. External auditing by a third party is performed this year in accordance with the International Standard on Assurance Engagements, ISAE 3000. During the report period, the Group continued validation of the Group's sustainability strategy and goals for 2030.

Key highlights for activities in the first quarter of 2026:

Nutrition and Healthy Lifestyle

In the first quarter of 2026, we continued implementing the nutrition strategy which includes the nutrition goals for the years 2025-2030, while developing and improving products and providing a variety of options for different audiences and nutritional needs. Additionally, the Group supported communication moves and promoted responsible communication for advertising products and balanced nutritional messages.

Environmental Impact Management

In the first quarter of 2026, about 7% of energy production at the company's sites in Israel came from renewable sources. Additionally, during the first quarter of 2026, the Group continues implementing the plan to reduce waste transferred to landfill, resulting in a 60% reduction in the amount of waste transferred to landfill compared to the corresponding period last year. In the field of wastewater treatment, the Group continues building an upgrade plan for wastewater facilities, in accordance with the master plans of the factories.

Social Responsibility and Community Relations

In the first quarter of 2026, the Group continued to promote social activity connected to the core business, employees, and communities, combining long-term strategic moves with quick response during emergency periods. During the quarter, the "New Taste for the North" program was launched – a joint venture with the Rothschild Foundation to strengthen small and medium-sized food businesses in the north of the country, including professional training, mentoring by company employees, and building an entrepreneurial community. Simultaneously, volunteering and donation activities were promoted, including, among others, delivery packages for bereaved families and food donations for Ramadan and Passover in cooperation with the "Latet" organization.

Throughout the "Sha'agat Ha'ari" war, the Group operated a rapid response system, which included – a daily situation room, product donations to forces in the field, communities, and hospitals, distribution of respite kits for families and the elderly, as well as distribution of giant games in protected spaces. Additionally, the Group led an initiative called "Northern Taste in the Center", in which businesses from the center hosted businesses from the north and received broad exposure in cooperation with media outlets.

23. Corporate Governance Aspects

As of the report publication date, the Board of Directors consists of eleven members, with various backgrounds and areas of expertise, including three external directors. The company has not adopted a provision in its articles regarding the percentage of independent directors.

Except for Ms. Ofra Strauss, who serves as an active Chairperson of the Board, and Mr. Shaul Kobrinsky, who serves as Deputy Chairperson of the Board since February 2025, the other directors do not provide services to the company and are not employed by the company.

For details regarding the qualifications, education, experience, and knowledge of the company's directors, including in connection with directors who have accounting and financial expertise, see Regulation 26 in the Additional Details on the Corporation chapter in the Periodic report for 2025 (reference no.: 2026-01-026734), immediate report on the appointment of Ms. Smadar Barber-Tsadik from March 25, 2026 (reference no.: 2026-01-026772) and immediate report on the appointment of Mr. Aviram Lahav from April 30, 2026 (reference no.: 2026-01-040294).

24. Effectiveness of Internal Control

For details regarding the effectiveness of internal control over financial reporting and regarding disclosure according to Regulation 38C(a) of the Report Regulations, see the attached report.

25. Events After the Date of the Statement of Financial Position

For a review of events after the date of the statement of financial position, see Note 9 to the condensed consolidated interim financial statements as of March 31, 2026.

The Board of Directors and Management express their great appreciation to Strauss Group's employees and managers.

Ofra Strauss
Chairperson of the Board

Shai Babad
President and CEO

May 19, 2026

**Condensed Consolidated Interim Financial Statements as of March 31, 2026
(Unaudited)**

Review Report of the Independent Auditors

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Somekh Chaikin
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03 684 8000

Review Report of the Independent Auditors to the Shareholders of Strauss Group Ltd.

Introduction

We have reviewed the accompanying financial information of Strauss Group Ltd. and its subsidiaries (hereinafter – "the Group"), which comprises the condensed consolidated statement of financial position as of March 31, 2026 and the condensed consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the three-month period then ended. The Board of Directors and Management are responsible for the preparation and presentation of financial information for this interim period in accordance with International Accounting Standard IAS 34 "Interim Financial Reporting", and are also responsible for the preparation of financial information for this interim period under Chapter D of the Securities Regulations (Periodic and Immediate Reports), 1970. Our responsibility is to express a conclusion on the financial information for this interim period based on our review.

We did not review the condensed interim financial information of a consolidated company whose assets included in the consolidation constitute approximately 2.5% of the total consolidated assets as of March 31, 2026, and whose income included in the consolidation constitutes approximately 7.4% of the total consolidated income for the three-month period then ended. The condensed interim financial information of that company was reviewed by other accountants whose review reports were furnished to us, and our conclusion, insofar as it relates to the amounts included in respect of that company, is based on the review reports of the other accountants.

Scope of Review

We conducted our review in accordance with Review Standard (Israel) 2410 of the Institute of Certified Public Accountants in Israel, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards in Israel and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the aforementioned financial information is not prepared, in all material respects, in accordance with International Accounting Standard IAS 34.

In addition to the above, based on our review, nothing has come to our attention that causes us to believe that the aforementioned financial information does not comply, in all material respects, with the disclosure requirements of Chapter D of the Securities Regulations (Periodic and Immediate Reports), 1970.

Somekh Chaikin

Accountants

May 19, 2026

KPMG Somekh Chaikin, a partnership registered in Israel and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee

Strauss Group Ltd.
Condensed Consolidated Interim Statements of Financial Position

	March 31 2026	March 31 2025	December 31 2025
	Unaudited	Unaudited	Audited
	NIS millions		
Current assets			
Cash and cash equivalents	1,047	436	535
Trade receivables	1,328	1,270	1,208
Income tax	23	11	28
Other receivables and debit balances	231	234	225
Inventory	1,109	1,235	1,100
Assets held for sale	1	91	1
Total current assets	3,739	3,277	3,097
Investments and non-current assets			
Investments in associates accounted for using the equity method	1,783	1,584	1,639
Other investments and long-term debit balances	147	95	147
Property, plant and equipment	2,585	2,403	2,536
Right-of-use assets	316	311	283
Intangible assets	1,073	1,112	1,087

	March 31 2026 Unaudited	March 31 2025 Unaudited	December 31 2025 Audited
	NIS millions		
Investment property	4	4	4
Deferred tax assets	30	35	23
Total investments and non-current assets	5,938	5,544	5,719
Total assets	9,677	8,821	8,816

Ofra Strauss
Chairperson of the Board of
Directors

Shai Babad
President & CEO

Tobi Fischbein
CFO

May 19, 2026
Date of approval of the financial statements

The notes to the condensed consolidated interim financial statements form an integral part thereof.

Strauss Group Ltd
Condensed Consolidated Interim Statements of Financial Position (Continued)

	March 31 2026	March 31 2025	December 31 2025
	Unaudited	Unaudited	Audited
	NIS millions		
Current liabilities			
Current maturities of BONDS	240	174	203
Short-term credit and current maturities of long-term loans and other liabilities	229	401	297
Current maturities of lease liabilities	87	94	86
Suppliers	1,540	1,562	1,530
Income tax	220	134	163
Other payables and credit balances	741	690	694
Liabilities associated with assets held for sale	-	94	-
Dividend payable	250	160	-
Provisions	27	27	25
Total current liabilities	3,334	3,336	2,998
Non-current liabilities			
BONDS	1,950	1,156	1,392
Long-term loans and other liabilities	434	411	437
Lease liabilities	245	229	213
Long-term other payables and credit balances	19	26	17
Employee benefits, net	29	29	29
Deferred tax liabilities	98	125	107
Total non-current liabilities	2,775	1,976	2,195
Equity and reserves			
Share capital	254	253	253
Share premium	1,051	1,051	1,051
Reserves	(2,249)	(2,036)	(2,264)
Retained earnings	4,135	3,899	4,232
Total equity attributable to the shareholders of the Company	3,191	3,167	3,272
Non-controlling interests	377	342	351
Total equity	3,568	3,509	3,623
Total liabilities and equity	9,677	8,821	8,816

The notes to the condensed consolidated interim financial statements form an integral part thereof.

Strauss Group Ltd
Condensed Consolidated Interim Statements of Profit or Loss

	For the three-month period ended		For the year ended
	March 31 2026	March 31 2025	December 31 2025
	Unaudited	Unaudited	Audited
	NIS millions		
Sales	1,986	1,887	7,823
Cost of sales	1,335	1,275	5,322
Gross profit	651	612	2,501
Selling and marketing expenses	359	340	1,381
General and administrative expenses	139	121	547
	498	461	1,928
Share of profit of equity-accounted investees	98	47	360
Share of losses of incubator companies accounted for using the equity method	(6)	(8)	(46)
Operating profit before other income (expenses)	245	190	887
Other income	1	1	13
Other expenses	(1)	(10)	(63)
Other income (expenses), net	-	(9)	(50)
Operating profit	245	181	837
Finance income	10	29	20
Finance expenses	(51)	(42)	(204)
Finance expenses, net	(41)	(13)	(184)
Profit before income taxes	204	168	653
Income tax expenses	(33)	(57)	(156)
Profit for the period	171	111	497
Attributable to:			
Shareholders of the Company	146	86	404
Non-controlling interests	25	25	93
Profit for the period	171	111	497
Earnings per share for the shareholders of the Company			
Basic earnings per share (in NIS)	1.25	0.74	3.47

	For the three-month period ended		For the year ended
	March 31 2026	March 31 2025	December 31 2025
	Unaudited	Unaudited	Audited
	NIS millions		
Diluted earnings per share (in NIS)	1.24	0.74	3.46

The notes to the condensed consolidated interim financial statements form an integral part thereof.

Strauss Group Ltd
Condensed Consolidated Interim Statements of Comprehensive Income

	For the three-month period ended		For the year ended
	March 31	March 31	December 31
	2026	2025	2025
	Unaudited	Unaudited	Audited
	NIS millions		
Profit for the period	171	111	497
Items of other comprehensive income (loss) that will be reclassified to profit or loss in subsequent periods:			
Foreign currency translation differences for foreign operations	(31)	78	7
Other comprehensive income (loss) from equity-accounted investees	46	78	(80)
Total items of other comprehensive income (loss) for the period that will be reclassified to profit or loss, net	15	156	(73)
Items of other comprehensive income that will not be reclassified to profit or loss, net:			
Total comprehensive income for the period	186	267	424
Attributable to:			
Shareholders of the Company	161	242	332
Non-controlling interests	25	25	92
Total comprehensive income for the period	186	267	424

The notes to the condensed consolidated interim financial statements form an integral part thereof.

Strauss Group Ltd

Condensed Consolidated Interim Statements of Changes in Equity

	Attributable to shareholders of the Company								
	Share capital	Share premium	Treasury shares	Reserve for transactions with non-controlling interests	Translation reserve	Retained earnings	Total	Non-controlling interests	Total equity
	NIS millions								
For the three-month period ended March 31, 2026 - Unaudited:									
Balance as of January 1, 2026	253	1,051	(20)	(430)	(1,814)	4,232	3,272	351	3,623
Total comprehensive income for the period									
Profit for the period	-	-	-	-	-	146	146	25	171
Components of other comprehensive income (loss):									
Foreign currency translation differences for foreign operations	-	-	-	-	(31)	-	(31)	-	(31)
Other comprehensive income from equity-accounted investees	-	-	-	-	46	-	46	-	46
Total other comprehensive income for the period, net	-	-	-	-	15	-	15	-	15
Total comprehensive income for the period	=	=	=	=	15	146	161	25	186
Exercise of warrants for shares granted to employees	1	-	-	-	-	-	1	-	1
Share-based payment	-	-	-	-	-	7	7	-	7
Transaction with non-controlling interests	-	-	-	-	-	-	-	1	1
Dividend to the Company's shareholders	-	-	-	-	-	(250)	(250)	-	(250)
Balance as of March 31, 2026	254	1,051	(20)	(430)	(1,799)	4,135	3,191	377	3,568

The notes to the condensed consolidated interim financial statements form an integral part thereof.

Strauss Group Ltd.
Condensed Consolidated Interim Statements of Changes in Equity (Continued)

For the three-month period ended March 31, 2025
- Unaudited:

	Attributable to the Company's shareholders							Non-controlling interests	Total equity
	Share capital	Share premium	Treasury shares	Reserve for transactions with non-controlling interests	Translation reserve	Retained earnings	Total		
	NIS millions								
Balance as of January 1, 2025	253	1,051	(20)	(430)	(1,742)	4,167	3,279	317	3,596
Total comprehensive income for the period									
Profit for the period	-	-	-	-	-	86	86	25	111
Components of other comprehensive income (loss):									
Foreign currency translation differences for foreign operations	-	-	-	-	78	-	78	-	78
Other comprehensive income from held companies accounted for under the equity method	-	-	-	-	78	-	78	-	78
Total other comprehensive income for the period, net	-	-	-	-	156	-	156	-	156
Total comprehensive income for the period	-	-	-	-	156	86	242	25	267
Share-based payment	-	-	-	-	-	6	6	-	6
Dividend to the Company's shareholders	-	-	-	-	-	(360)	(360)	-	(360)
Balance as of March 31, 2025	253	1,051	(20)	(430)	(1,586)	3,899	3,167	342	3,509

The notes to the condensed consolidated interim financial statements form an integral part thereof.

	Attributable to the Company's shareholders							Non-controlling interests	Total equity
	Share capital	Share premium	Treasury shares	Reserve for transactions with non-controlling interests	Translation reserve	Retained earnings	Total		
NIS millions									
For the year ended December 31, 2025 - Audited:									
Balance as of January 1, 2025	253	1,051	(20)	(430)	(1,742)	4,167	3,279	317	3,596
Total comprehensive income (loss) for the year									
Profit for the year	-	-	-	-	-	404	404	93	497
Components of other comprehensive income (loss):									
Foreign currency translation differences	-	-	-	-	8	-	8	(1)	7
Other comprehensive loss from held companies accounted for under the equity method	-	-	-	-	(80)	-	(80)	-	(80)
Total other comprehensive income (loss) for the year, net	-	-	-	-	(72)	-	(72)	(1)	(73)
Total comprehensive income (loss) for the year	-	-	-	-	(72)	404	332	92	424
Share-based payment	-	-	-	-	-	21	21	-	21
Dividend distributed	-	-	-	-	-	(360)	(360)	-	(360)
Transactions with non-controlling interests	-	-	-	-	-	-	-	1	1
Dividend to non-controlling interests in subsidiaries	-	-	-	-	-	-	-	(59)	(59)
Balance as of December 31, 2025	253	1,051	(20)	(430)	(1,814)	4,232	3,272	351	3,623

	For the three-month period		For the year ended
	ended		on
	March 31	March 31	December 31
	2026	2025	2025
		Unaudited	Audited
	NIS millions		
Cash flows from operating activities			
Profit for the period	171	111	497
Adjustments:			
Depreciation	70	71	281
Amortization of intangible assets and deferred expenses	21	17	72
Impairment of intangible assets and assets held for sale	-	2	35
Capital loss (gain), net from sale of fixed assets, a subsidiary, operations in a subsidiary and a company accounted for under the equity method	-	1	(7)
Expenses for share-based payment	7	6	21
Financing expenses, net	41	13	184
Income tax expenses	33	57	156
Share in profits of held companies accounted for under the equity method	(92)	(39)	(314)
Change in inventory	(21)	(182)	(98)
Change in trade and other receivables	(131)	(75)	(37)
Change in long-term debit balances	(1)	(34)	(90)
Change in trade and other payables	48	(22)	(24)
Change in employee benefits	1	-	1
Interest paid	(17)	(25)	(132)
Interest received	10	9	21
Income taxes paid, net	17	(3)	(105)
Net cash provided by (used in) operating activities	157	(93)	461
Cash flows from investing activities			
Proceeds from the sale of fixed assets and intangible assets	1	-	3
Investment in fixed assets	(112)	(106)	(395)
Investment in intangible assets	(21)	(26)	(102)
Proceeds from the sale of operations in a subsidiary	-	-	2
Repayment of deposits and loans granted	4	52	98

	For the three-month period		For the year ended
	ended		on
	March 31	March 31	December 31
	2026	2025	2025
		Unaudited	Audited
	NIS millions		
Repayment (granting) of short-term loans, net	-	(1)	2
Proceeds from the sale of investments in non-consolidated companies	-	2	3
Granting of long-term loans and deposits	(17)	(25)	(73)
Taxes (paid) received in respect of the sale of investments in held companies	1	-	(7)
Dividends from held companies	18	-	50
Withholding tax on dividend	(2)	-	-
Investment in held companies	(6)	(1)	(8)
Net cash used in investing activities	(134)	(105)	(427)

The notes to the condensed consolidated interim financial statements form an integral part thereof.

Strauss Group Ltd.
Condensed Consolidated Interim Statements of Cash Flows (Continued)

	For the three-month period ended on		For the year ended on
	March 31 2026	March 31 2025	December 31 2025
	Unaudited		Audited
	NIS millions		
Cash flows from financing activities			
Short-term credit from banks, net	(70)	(281)	(268)
Proceeds from issuance of BONDS, net of issuance costs	588	-	461
Receipt of long-term loans	-	4	6
Repayment of BONDS and long-term loans	(1)	-	(294)
Proceeds from the issuance of capital notes from non-controlling interests	2	-	5
Change in liabilities in respect of credit card discounting	4	3	16

	For the three-month period ended on		For the year ended on
	March 31 2026	March 31 2025	December 31 2025
	Unaudited		Audited
	NIS millions		
Principal payments of lease liabilities	(25)	(28)	(107)
Dividend paid	-	(200)	(360)
Dividends paid to non-controlling interests in a subsidiary	-	-	(59)
Withholding tax on dividend	(3)	-	3
Net cash provided by (used in) financing activities	495	(502)	(597)
Increase (decrease) in cash and cash equivalents	518	(700)	(563)
Cash and cash equivalents at the beginning of the period	535	1,142	1,142
Effect of exchange rate fluctuations on cash balances	(6)	(6)	(44)
Cash and cash equivalents at the end of the period	1,047	436	535

The notes to the condensed consolidated interim financial statements form an integral part thereof.

Strauss Group Ltd.

Notes to the Interim Condensed Consolidated Financial Statements (Unaudited)

Note 1 - Reporting Rules and Accounting Policy

1.1 General

1.1.1 The reporting company, Strauss Group Ltd. ("the Company" or "Strauss Group") is a company resident in Israel, whose address is 49 Hasivim St., Petah Tikva.

The Company and its investees ("the Group") are a group of industrial and commercial companies, which operate in Israel and outside Israel, primarily in the development, manufacture, marketing and sale of a variety of branded food and beverage products. Additionally, the Group operates in the development, marketing, service and sale of water filtration, carbonation and purification products for the home and office.

Strauss Holdings Ltd. ("Strauss Holdings") is the direct controlling shareholder in the Company (approx. 47.77% of the equity and voting in the Company as of the approval date of the financial statements). The controlling shareholder in Strauss Holdings is Michael Strauss Assets Ltd. (which holds 100% of the equity and voting in Strauss Holdings) ("Michael Assets").

Ms. Ofra Strauss, Ms. Irit Strauss and Mr. Adi Strauss hold shares in Michael Assets (together, approx. 94.6% of the dividend rights and 100% of the voting rights in Michael Assets) granting them control over Michael Assets, and indirectly control over the Company. Among the three aforementioned members of the Strauss family, there is an agreement for cooperation in Michael Assets, by virtue of which they are considered joint holders in Michael Assets.

In light of the above, Ms. Ofra Strauss, Ms. Irit Strauss and Mr. Adi Strauss are the controlling shareholders in the Company.

1.1.2 The interim condensed consolidated financial statements were prepared in accordance with IAS 34 regarding interim financial reporting and in accordance with the provisions of Chapter D of the Securities Regulations (Periodic reports and Immediate Reports), 1970.

These statements should be read in conjunction with the audited consolidated financial statements of the Company and its consolidated companies as of December 31, 2025 and for the year then ended and the accompanying notes ("the Annual Financial Statements").

The Group's accounting policy in these interim reports was applied consistently to the annual financial statements.

1.1.3 The interim condensed consolidated financial statements are presented in NIS, which is the Company's functional currency. Financial information is presented in NIS millions and rounded to the nearest million.

1.1.4 The interim condensed consolidated financial statements were approved for publication by the Group's board of directors on May 19, 2026.

Note 2 - Seasonality

In the Health & Wellness product sector, there is no distinct trend of seasonality. However, revenue volumes are generally higher (relatively) in the third quarter of the year, during which the hot summer months occur, characterized by an increase in the consumption of dairy products.

In the Fun & Indulgence sector (snacks and sweets), sales of the candy operations are characterized by seasonality, and they are usually higher (relatively) in the first third of the year and lower (relatively) in the second third of the year. Seasonality is mainly affected by the winter months in the first quarter of the year characterized by increased consumption of chocolate products, as well as increased consumption of Fun & Indulgence products ahead of the Purim and Passover holidays. Sales of salty snack operations are characterized by seasonality, and they are usually higher (relatively) in the summer months and holidays.

In the Fun & Indulgence sector (Israel Coffee), there is no distinct trend of seasonality; however, revenue volumes are generally higher (relatively) in the first quarter of the year due to increased consumption of coffee products ahead of the Passover holiday.

In the International Coffee sector, seasonality is mainly affected by the Christian holidays and the end of the calendar year in the fourth quarter of the year, a period characterized by increased purchasing of coffee products. In contrast, the first quarter of the year is usually characterized by relatively low sales due to the aforementioned increased stocking in the fourth quarter.

In the Group's Water sector, sales of water bars are generally higher in the summer months (April-October) compared to other months of the year, with a corresponding increase in service revenue in the fourth quarter of the year.

Notes to the Interim Condensed Consolidated Financial Statements (Unaudited)

Note 3 - Operating Segments

Detail by operating segments and reconciliation between the operating segment data and the consolidated report:

	For the three-month period ended		For the year ended
	March 31, 2026	March 31, 2025	December 31, 2025
	Unaudited	Unaudited	Audited
	NIS millions		
Revenues			
Sales to external customers:			
Health & Wellness	775	742	3,159
Fun & Indulgence (Snacks and Sweets)	428	394	1,395
Fun & Indulgence (Israel Coffee)	256	260	903
Total Israel	1,459	1,396	5,457
International Coffee	1,322	1,388	6,155
Water	220	206	895
Sales to other segments:			
Health & Wellness	1	2	7
Fun & Indulgence (Snacks and Sweets)	2	1	5
Fun & Indulgence (Israel Coffee)	-	-	2

	For the three-month period ended		For the year ended
	March 31, 2026	March 31, 2025	December 31, 2025
	Unaudited	Unaudited	Audited
	NIS millions		
Total Israel	3	3	14
International Coffee	-	2	4
Total segment revenues	3,004	2,995	12,525
Elimination of inter-segment sales	(3)	(5)	(18)
Total segment revenues net of inter-segment sales	3,001	2,990	12,507
Adjustment to equity method	(1,015)	(1,103)	(4,684)
Total consolidated revenues	1,986	1,887	7,823

Strauss Group Ltd.

Notes to the Interim Condensed Consolidated Financial Statements (Unaudited)

Note 3 - Operating Segments (Continued)

	For the three-month period ended on		For the year ended on
	March 31 2026	March 31 2025	December 31 2025
	Unaudited		Audited
	NIS millions		
Operating profit (loss)			
Health & Wellness	90	88	405
Fun & Indulgence (Snacks and Sweets)	40	(16)	12
Fun & Indulgence (Israel Coffee)	45	41	113
Total Israel	175	113	530
International Coffee	132	55	493
Water	17	26	115
Other (2)	(8)	(5)	(72)
Total segment profit	316	189	1,066
Unallocated income (expenses):			
Commodity hedging adjustments (1)	(31)	23	15

	For the three-month period ended on		For the year ended on
	March 31 2026	March 31 2025	December 31 2025
	Unaudited		Audited
	NIS millions		
Other income (expenses), net	1	1	(42)
Share-based payment	(7)	(6)	(21)
Share in losses of incubator companies accounted for using the equity method (2)	(6)	(8)	(46)
Total operating profit of operating segments	273	199	972
Adjustment to equity method	(28)	(18)	(135)
Total operating profit in consolidated report	245	181	837
Financing expenses, net	(41)	(13)	(184)
Profit before taxes on income	204	168	653

- (1) Reflects mark-to-market valuation as of the end of the period for open positions in the Group regarding derivative financial instruments used for economic hedging of commodity prices and all adjustments required for the purpose of deferring profit or loss for commodity derivatives, until the date the inventory is sold to external parties and/or the derivative financial instrument is realized.
- (2) Restatement regarding incubator activities.

Strauss Group Ltd.

Notes to the Interim Condensed Consolidated Financial Statements (Unaudited)

Note 4 - Events During the Reporting Period

- 4.1 On March 24, 2026, the Company's board of directors approved a dividend distribution to shareholders in the total amount of NIS 250 million (approx. NIS 2.14 per share) which was paid on April 14, 2026.
- 4.2 On March 16, 2026, a material associate company of the Group in Brazil, which is a joint venture owned by the subsidiary Strauss Coffee B.V. (50%) and São Miguel FIP (50%) and accounted for using the equity method, entered into an agreement to purchase full (100%) rights in General Mills Brasil Alimentos Ltda for a consideration of 800 million Brazilian Real (approx. NIS 475 million according to the exchange rate on the date of signing the agreement), based on cash-free debt-free assumptions and an agreed normative working capital, subject to customary adjustments for deviation from these assumptions as well as additional reductions agreed upon under the purchase agreement. Completion of the transaction is subject to fulfillment of conditions precedent, including receipt of approval from the competition authority in Brazil and other customary conditions. The purchase consideration is expected to be paid on the transaction closing date, financed from Trâes Corações Alimentos S.A.'s own sources, and according to the Company's assessment, completion of the transaction is expected by the end of 2026 subject to the fulfillment of the conditions precedent as detailed above.

4.3 As of the approval date of the financial statements, the fighting between Russia and Ukraine continues, including the economic sanctions imposed on Russia by Western countries. As of the approval date of the financial statements, the state of fighting between Russia and Ukraine does not have a material impact on the Group's business results. Given the evolving nature of the events and the high level of associated uncertainty, possible geopolitical scenarios may materialize which could lead to additional negative economic and financial consequences. The Group continuously monitors developments of the events in Ukraine, Russia, and the markets; however, as of the approval date of the financial statements, the Group is unable to assess the future impact of the events on its business results.

4.4 On February 28, 2026, a combined attack was launched by the State of Israel and the United States, named "Lion's Roar" (hereinafter: "the Operation"), against government targets in Iran. After the end of the reporting period, in early April 2026, a ceasefire agreement was signed. As of the approval date of the financial statements, and during the reporting period, the Company operated in its regular format, and the Operation did not have a material impact on the Group's activities and financial results. During the relevant periods, the Company worked to find solutions and adjustments as required to maintain business continuity. However, in light of uncertainty regarding geopolitical developments in the Middle East, it is not possible at this stage to assess the scope of future impacts of possible geopolitical situations on the Group's business activity. For more details, see Note 1.1.1 to the Annual Financial Statements.

Strauss Group Ltd.
Notes to the Condensed Consolidated Interim Financial Statements (Unaudited)

Note 5 - Share-Based Payment

5.1 Grants during the report period

Following are details regarding the fair value of new warrants granted to employees during the report period:

Grant date	Number of warrants and eligible employees	Fair value	Share price	Exercise price	Expected life	Annual standard deviation	Discount rate
		NIS millions	NIS	NIS	years	%	%
January 1, 2026	750,000 to the Group CEO	21	108.5	98.36	2.35-3.38	24.43-25.26	3.71-3.72

Eligibility for exercise of the warrants for the manager will vest in three equal installments in each of the years 2026-2028. The benefit arising from these grants will be recorded as an expense in the financial statements over the said vesting periods.

The fair value of warrants to employees was measured using the Black-Scholes model. For more details regarding the model assumptions see Note 20.6 to the annual financial statements.

5.2 Exercises during the report period

During the report period, 951,116 warrants granted to employees were exercised into 236,810 shares for their par value.

Strauss Group Ltd.

Notes to the Condensed Consolidated Interim Financial Statements (Unaudited)

Note 6 - Contingent Liabilities

- 6.1** Regarding claims and contingent liabilities against the Company and its held companies ("the Group"), outstanding as of December 31, 2025, see Note 21.1 to the annual financial statements. Regarding these claims, no material changes occurred during the report period except as stated below.
- 6.2** Following the disclosure in Note 21.1.2 to the annual financial statements regarding class actions filed against the Group for damages allegedly caused to the consumer public in connection with positive salmonella findings in some production lines at the Group's factory in Nof HaGalil and in some of the products at the factory ("the Recall Event"). On May 6, 2026, a request was filed to submit a response to the applicants' response, which was based on an abstract of the independent committee's report. The Court will discuss the requests in a pre-trial scheduled for June 4, 2026.
- 6.3** Following the disclosure in Note 21.1.3 to the annual financial statements regarding six motions filed with the Economic Department of the Tel Aviv-Yafo District Court ("the Court") for disclosure and inspection of documents according to Section 198a of the Companies Law, 1999, for the purpose of examining the possibility of filing a derivative claim against officers and officeholders in the Group, and following the Company's Board of Directors' decision from August 2022 to establish an independent claims committee ("the Committee"), and the Board's decision from November 2024 to adopt the findings, conclusions, and recommendations on the matter, including the proposed settlement agreement as submitted to the Court in February 2025. On April 22, 2026, a judgment was rendered in which the Court approved the settlement agreement in full - including the compensation amount and the parties' recommendation regarding legal fees, reward, and expenses. According to the settlement agreement, the insurers will pay a total amount of 30.5 million NIS - out of which 27 million NIS will be paid as compensation to the Company, and 3.5 million NIS will be paid as reward, legal fees, and reimbursement of expenses to the applicants and their counsel. In the judgment, the Court determined that the settlement agreement is reasonable and appropriate under the circumstances; serves the best interests of the Company and its shareholders; properly reflects the advantage inherent for the Company in the compensation amount it will receive under the settlement agreement; and properly reflects the assessment of the prospects and risks of the proceeding and the advantage in concluding the proceeding. Consequently, the Company is expected to record income for insurance indemnity which will be included in its financial results for the second quarter of 2026. As long as no appeal is filed, the judgment is expected to become final on June 21, 2026.
- 6.4** Following the disclosure in Note 21.1.4 to the annual financial statements regarding the Competition Commissioner's determination of a violation of Section 19 of the Economic Competition Law, 1988 ("the Economic Competition Law"), the imposition of a financial sanction on the Group in a total amount of approx. 111 million NIS, and the imposition of a financial sanction on its former officers. On May 3, 2026, the Group filed a motion to the Tribunal for a decision on the request to join evidence and to set a date for a hearing on the appeal. It should be clarified that the Group disputes the Commissioner's position and believes it acted in accordance with the law regarding the entirety of the claims raised against the Group. According to the Group's legal advisors, the chances of an appeal determining that the Group did not violate the provisions of the law being accepted are higher than the chances of it being rejected.

6.5

Following the disclosure in Note 21.1.5 to the annual financial statements regarding two motions for document discovery before a derivative claim, according to Section 198a of the Companies Law, 1999 (together: "the Discovery Requests") in which the Court was requested to order the Group to disclose documents regarding the Competition Authority's decision to impose a financial sanction on the Group and its officers, in the amount of approx. 111 million NIS for an alleged violation of Section 19 of the Economic Competition Law. On April 15, 2026, the Court again extended the stay of proceedings and ordered the parties to file an update on the matter by June 15, 2026.

6.6 The Group did not include provisions for pending claims and demands up to the date of approval of the financial statements, which according to the opinion of its legal advisors are not expected to be accepted or where the chances of the claim cannot be estimated. The amount of claims and demands whose chances cannot be estimated totals a maximum of approx. 2 million NIS.

Strauss Group Ltd.

Notes to the Condensed Consolidated Interim Financial Statements (Unaudited)

Note 7 - Investments in Held Companies Accounted for Using the Equity Method

7.1 Condensed information regarding material held companies accounted for using the equity method

	Três Corações Alimentos S.A.			Qingdao HSW Health Water Appliance Co. Ltd.		
	March 31		December 31	March 31		December 31
	2026	2025	2025	2026	2025	2025
	Unaudited		Audited	Unaudited		Audited
	NIS millions			NIS millions		
Current assets	3,544	2,882	3,334	835	976	846
Of which: Cash and cash equivalents	1,156	199	1,126	503	742	574
Non-current assets	1,232	1,280	1,171	217	244	225
Total assets	4,776	4,162	4,505	1,052	1,220	1,071
Current liabilities	2,181	1,506	1,892	397	534	448
Of which: Financial liabilities excluding trade payables, other payables and provisions	995	273	620	-	-	-
Non-current liabilities	1,074	1,290	1,265	6	5	6
Of which: Financial liabilities excluding trade payables, other payables and provisions	614	1,202	780	-	-	-
Total liabilities	3,255	2,797	3,157	403	539	454
Total net assets 100%	1,521	1,365	1,348	649	681	617
The Company's share in net assets	761	683	674	318	334	302
Other adjustments	289	91	265	73	84	73
Carrying amount of the investment	1,050	774	939	391	418	375

Strauss Group Ltd.
Notes to the Condensed Consolidated Interim Financial Statements (Unaudited)

Note 7 - Investments in Held Companies Accounted for Using the Equity Method (Continued)

7.1 7.1 Condensed information regarding material held companies accounted for using the equity method (Continued)

	Três Corações Alimentos S.A.				Qingdao HSW Health Water Appliance Co. Ltd.		
	For the three months ended		For the year ended		For the three months ended		For the year ended
	March 31	March 31	December 31		March 31	March 31	December 31
	2026	2025	2025		2026	2025	2025
	Unaudited		Audited		Unaudited		Audited
	NIS millions				NIS millions		
Revenues	1,834	2,029	8,703		226	227	928
Profit for the period	142	34	541		27	32	80
Other comprehensive income (loss)	59	110	(36)		5	20	(75)
Total comprehensive income	201	144	505		32	52	5
Of which:							
Depreciation and amortization	23	22	90		4	4	17
Interest income	35	13	56		(2)	1	5
Interest expenses	52	43	129		-	1	6
Income tax expenses	(25)	-	(95)		(7)	(7)	(17)
The Company's share in total comprehensive income	101	72	252		16	25	2
Other adjustments	10	8	(7)		(1)	(1)	(4)
The Company's share in total comprehensive income (loss) presented in the books	111	80	245		15	24	(2)

Strauss Group Ltd.

Notes to the Condensed Consolidated Interim Financial Statements (Unaudited)

Note 7 - Investments in Associates Accounted for Using the Equity Method (Continued)

7.2 Attachment of Financial Statements

The Group attaches to these condensed consolidated interim financial statements the condensed consolidated interim financial statements of Três Corações Alimentos S.A, a joint venture in Brazil, accounted for using the equity method (50% ownership interest). The presentation currency of this company's reports is the Brazilian Real.

Below are the average exchange rates and the rates of change that occurred in the exchange rates of the Real relative to the Shekel during the reporting period:

	Brazilian Real exchange rate		
	Period-end closing exchange rate	Period average exchange rate	Rate of change based on closing rates in %
For the three-month period ended:			
March 31, 2026	0.61	0.59	4.0%
March 31, 2025	0.64	0.62	8.9%
For the year ended December 31, 2025	0.58	0.62	(1.5%)

From the beginning of 2026 until the date of approval of the financial statements, the Shekel strengthened by approximately 1% against the Brazilian Real.

Strauss Group Ltd.
Notes to the Condensed Consolidated Interim Financial Statements (Unaudited)

Note 8 - Financial Instruments

8.1 Fair value of financial instruments measured at fair value for disclosure purposes only

The carrying amount of cash and cash equivalents, short and long-term deposits and investments, trade receivables, accounts receivable and debit balances, trade payables and service providers, and accounts payable and credit balances matches or is close to their fair value. No material change occurred in the fair value (as published in the annual reports) of long-term loans.

The fair value of the BONDS, based on the Tel Aviv Stock Exchange prices, together with their carrying amount (including accrued interest) presented in the statement of financial position, are as follows:

	March 31, 2026		March 31, 2025		December 31, 2025	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
	Unaudited				Audited	
NIS millions						
BONDS Series E	243	240	363	356	241	238
BONDS Series F	1,956	1,891	974	860	1,354	1,305

8.2 Fair value hierarchy of financial instruments measured at fair value

The various levels were defined as follows:

- Level 1: Quoted prices (unadjusted) in an active market for identical instruments.
- Level 2: Observable inputs, directly or indirectly, that are not included in Level 1 above.
- Level 3: Inputs that are not based on observable market data.

	March 31, 2026			March 31, 2025			December 31, 2025		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
	Unaudited						Audited		
NIS millions									
Financial assets (liabilities)									
Derivatives receivable	15	5	10	26	14	4	30	1	10
Derivatives payable	(36)	(10)	-	(19)	-	-	(38)	(11)	-
	(21)*	(5)	10	7	14	4	(8)	(10)	10

For details regarding the method of determining the fair value of derivative financial instruments measured at Level 2, see Note 25.7.2.1 to the annual financial statements.

* During the three-month period ended March 31, 2026, the company incurred a loss from mark to market revaluation of commodity derivatives (cocoa) in the amount of approximately NIS 21.9 million (during the three-month period ended March 31, 2025, the company incurred a loss from mark to market revaluation of commodity derivatives (cocoa) in the amount of approximately NIS 5.6 million). For these commodity derivatives, in the derivatives payable balance as of March 31, 2026, the company has a net liability balance of approximately NIS 17.3 million (for these commodity derivatives, in the derivatives receivable balance as of March 31, 2025, the company has a net asset balance of approximately NIS 1.5 million).

Strauss Group Ltd.

Notes to the Condensed Consolidated Interim Financial Statements (Unaudited)

Note 8 - Financial Instruments (Continued)

8.3 Additional information

On January 22, 2026, the company issued NIS 671.5 million BONDS of NIS 1 par value as an expansion of BONDS Series F. The issuance proceeds amounted to approximately NIS 588 million, net of issuance costs. The following are the terms of the BONDS issued:

	Expansion of Series F
Interest type	Fixed
Annual interest rate	1.9%

The effective interest rate at the time of listing for trade, taking into account issuance costs	Approx. 4.31%
Par value at the date of issuance	NIS 671.5 million
Linkage terms	Principal and interest are not linked to any index
Principal payment dates	12 annual payments on June 30 of each year from 2026 to 2037. 2 payments of 5.56%, and 10 additional payments of 8.89% each.
Interest payment dates	Semi-annual interest on December 31 and June 30. From June 30, 2026 until June 30, 2037.
Collateral or liens	None
Rating company name	Midroog; Maalot
Rating at the date of issuance	iIAA+ ; Aa1.il

As of March 31, 2026, the equity attributable to the company's shareholders is NIS 3,191 million, the ratio of financial debt to EBITDA according to the financial statements is 1.6 and the ratio of equity to balance sheet is 33.0%. As of March 31, 2026, the company meets the required financial covenants. The financial conditions set for the expansion of Series F are identical to the financial conditions of the BONDS Series F. For further details see Note 18.5 to the annual financial statements.

Strauss Group Ltd.
Notes to the Condensed Consolidated Interim Financial Statements (Unaudited)

Note 9 - Events After the Reporting Period

9.1 For details regarding developments in pending claims after the reporting period date, see Note 6 above.

Strauss Group Ltd

Separate Financial Information

As of March 31, 2026



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Somekh Chaikin

KPMG Millennium Tower

17 Ha'arba'a Street, P.O. Box 609

Tel Aviv 6100601

03 684 8000

To

The Shareholders of Strauss Group Ltd

Subject: Special report of the auditing accountants on separate interim financial information according to Regulation 38D of the Securities Regulations (Periodic and Immediate Reports), 1970

Introduction

We have reviewed the separate interim financial information presented according to Regulation 38D of the Securities Regulations (Periodic and Immediate Reports), 1970 of Strauss Group Limited (hereinafter – the Company), as of March 31, 2026 and for the three-month period then ended. The separate interim financial information is the responsibility of the Company's Board of Directors and Management. Our responsibility is to express a conclusion on the separate interim financial information for this interim period based on our review.

We did not review the separate interim financial information from the financial statements of an investee company whose total investment in it amounted to approximately NIS 200 million as of March 31, 2026 and whose profit from this investee company amounted to approximately NIS 5 million for the three-month period then ended. The financial statements of that company were reviewed by other accountants whose reports were provided to us, and our conclusion, insofar as it refers to the financial statements regarding that company, is based on the review report of the other accountants.

Scope of Review

We conducted our review in accordance with Review Standard (Israel) 2410 of the Institute of Certified Public Accountants in Israel, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of separate interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially more limited in scope than an audit conducted in accordance with generally accepted auditing standards in Israel and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, and on the review report of other accountants, nothing has come to our attention that causes us to believe that the abovementioned separate interim financial information is not prepared, in all material respects, in accordance with the provisions of Regulation 38D of the Securities Regulations (Periodic and Immediate Reports), 1970.

Somekh Chaikin

Accountants

May 19, 2026

A

KPMG Somekh Chaikin, a partnership registered in Israel and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

Strauss Group Ltd
Condensed separate interim data of financial position of the Company

	March 31	March 31	December 31
	2026	2025	2025
	Unaudited	Unaudited	Audited
NIS millions			
Current assets			
Cash and cash equivalents	589	29	3
Trade receivables	245	240	208
Other receivables and debit balances	124	110	106
Receivables - investee companies	171	107	148
Inventory	190	228	227
Total current assets	1,319	714	692

	March 31	March 31	December 31
	2026	2025	2025
	Unaudited	Unaudited	Audited
NIS millions			
Investments and non-current assets			
Investments in investee companies	3,530	3,377	3,323
Other investments and long-term debit balances	565	518	568
Deferred tax assets	2	-	-
Right-of-use assets	209	217	191
Property, plant and equipment	1,153	1,085	1,127
Investment property	3	3	3
Intangible assets	201	187	204
Total investments and non-current assets	5,663	5,387	5,416
Total assets	6,982	6,101	6,108

Ofra Strauss

Chairperson of the Board of Directors

Shai Babad

President and CEO

Tobi Fishbein

CFO

May 19, 2026

Approval date

of the separate financial information

The additional information attached to the condensed separate financial information constitutes an integral part thereof.

Strauss Group Ltd.
Summary of Separate Interim Financial Position (continued)

	March 31 2026	March 31 2025	December 31 2025
	Unaudited	Unaudited	Audited
	NIS millions		
Current liabilities			
Current maturities of BONDS	240	174	203
Short-term credit and current maturities of long-term loans and other liabilities	-	28	52
Current maturities of lease liabilities	46	52	44
Suppliers	315	298	297
Income tax	181	102	123
Payables and credit balances	321	254	266
Payables - investee companies	299	497	283
Dividend payable	250	160	-
Total current liabilities	1,652	1,565	1,268
Non-current liabilities			
BONDS	1,950	1,156	1,392
Lease liabilities	172	172	156
Long-term payables and credit balances	3	13	-
Employee benefits, net	14	13	14
Deferred tax liabilities	-	15	6
Total non-current liabilities	2,139	1,369	1,568
Total equity attributable to the shareholders of the Company	3,191	3,167	3,272
Total liabilities and equity	6,982	6,101	6,108

Additional information attached to the summary separate financial information constitutes an integral part thereof.

Strauss Group Ltd.
Summary of Separate Interim Profit and Loss Data

	For the three-month period ended		For the year ended on
	March 31	March 31	December 31
	2026	2025	2025
	Unaudited		Audited
	NIS millions		
Sales	331	311	1,141
Cost of sales	264	247	936
Gross profit	67	64	205
Selling and marketing expenses	49	42	159
General and administrative expenses	40	30	174
	89	72	333
Operating loss before other income (expenses)	(22)	(8)	(128)
Other income	-	-	7
Other expenses	-	(5)	(15)
Other expenses, net	-	(5)	(8)
Operating loss	(22)	(13)	(136)
Finance income	8	6	5
Finance expenses	(31)	(22)	(108)
Finance expenses, net	(23)	(16)	(103)
Loss before taxes on income	(45)	(29)	(239)
Income (expenses) taxes on income	6	(15)	(8)
Loss after taxes on income	(39)	(44)	(247)
Profit from investee companies	185	130	651
Profit for the period attributable to the shareholders of the Company	146	86	404

Additional information attached to the summary separate financial information constitutes an integral part thereof.

Strauss Group Ltd.
Summary of Separate Interim Comprehensive Income Data

	For the three-month period ended		For the year ended on
	March 31	March 31	December 31
	2026	2025	2025
	Unaudited		Audited
NIS millions			
Profit for the period attributable to the shareholders of the Company	<u>146</u>	<u>86</u>	<u>404</u>
Items of other comprehensive income (loss) that will be reclassified to profit or loss in subsequent periods:			
Other comprehensive income (loss) from investee companies	<u>15</u>	<u>156</u>	<u>(72)</u>
Total items of other comprehensive income (loss) for the period that will be reclassified to profit or loss in subsequent periods, net	<u>15</u>	<u>156</u>	<u>(72)</u>
Total items of other comprehensive income that will not be reclassified to profit or loss in subsequent periods, net of tax	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the period attributable to the shareholders of the Company	<u><u>161</u></u>	<u><u>242</u></u>	<u><u>332</u></u>

Additional information attached to the summary separate financial information constitutes an integral part thereof.

Strauss Group Ltd.
Summary of Separate Interim Cash Flow Data

	For the three-month period ended		For the year ended
	March 31	March 31	December 31
	2026	2025	2025
	Unaudited	Unaudited	Audited
NIS millions			
Cash flows from operating activities			
Profit for the period attributable to the shareholders of the Company	146	86	404
Adjustments:			
Depreciation	32	31	128
Amortization of intangible assets	10	9	36
Net capital loss, impairment and sale of fixed assets	-	2	-
Other expenses, net	-	-	1
Expenses in respect of share-based payment	6	4	16
Profit from investee companies	(185)	(130)	(651)
Finance expenses, net	23	16	103
Income (expenses) taxes on income	(6)	15	8
Change in inventory	37	(49)	(48)
Change in trade and other receivables	(28)	12	3
Change in receivables from investee companies	(12)	(17)	(10)
Change in trade payables, other payables and provisions	56	(50)	(74)
Change in payables to investee companies	16	51	(52)
Change in employee benefits	1	-	1
Interest paid	(9)	(8)	(58)
Interest received	7	2	2
Income taxes received (paid), net	46	9	(28)
Net cash generated from (used in) operating activities	140	(17)	(219)
Cash flows from investing activities			
Proceeds from sale of fixed assets	2	4	5
Investment in fixed assets	(45)	(27)	(119)
Investment in intangible assets	(13)	(17)	(65)
Repayment of long-term loans and deposits	3	50	92
Granting of long-term loans and deposits	(17)	(24)	(68)
Dividends from investee companies	-	535	888

	For the three-month period ended		For the year ended
	March 31	March 31	December 31
	2026	2025	2025
	Unaudited	Unaudited	Audited
NIS millions			
Cash received in respect of investment activity with investee companies	-	2	2
Cash given in respect of investment activity with investee companies	(6)	-	(13)
Net cash generated from (used in) investing activities	(76)	523	722
Cash flows from financing activities			
Repayment of BONDS and long-term loans	-	-	(306)
Proceeds from issuance of BONDS, net of issuance costs	588	-	461
Short-term credit from banks, net	(52)	(294)	(270)
Dividends paid	-	(200)	(360)
Repayment of lease liabilities principal	(14)	(14)	(56)
Net cash used in (generated from) financing activities	522	(508)	(531)
Net increase (decrease) in cash and cash equivalents	586	(2)	(28)
Cash and cash equivalents at the beginning of the period	3	31	31
Cash and cash equivalents at the end of the period	589	29	3

Additional information attached to the summary separate financial information constitutes an integral part thereof.

Strauss Group Ltd.
Additional Information

Note 1 - Reporting Rules and Accounting Policies

1.1 General

- 1.1.1 The Company's activities include the Group's headquarters activities, the Group's salads activities in Israel, and the Group's confectionery activities in Israel, which include the development, production, and marketing of branded confectionery.
- 1.1.2 The separate interim financial information of Strauss Group Ltd. (hereinafter: "the Company") is presented in accordance with Regulation 38D of the Securities Regulations (Periodic and Immediate Reports), 1970 and the Tenth Appendix to the said regulations regarding separate financial information of the corporation. This financial information should be reviewed together with the financial information for the day and year ended December 31, 2025, and together with the condensed consolidated interim financial statements as of March 31, 2026 (hereinafter: "the condensed consolidated interim financial statements").
- The accounting policy in this condensed separate interim financial information is in accordance with the accounting policy rules detailed in the separate financial information as of December 31, 2025.
- 1.1.3 In this separate financial information – the Company and held companies as defined in Note 1 to the consolidated financial statements of the Company as of December 31, 2025, and as appearing in Note 1 to the condensed consolidated interim financial statements as of March 31, 2026.
- 1.1.4 The separate interim financial information is presented in NIS, which is the Company's functional currency. The financial information is presented in NIS millions and rounded to the nearest million.

Note 2 - Seasonality

Sales of "fun and indulgence" products in the confectionery activity are characterized by seasonality, and are usually higher (relatively) in the first third of the year and lower (relatively) in the second third of the year. Seasonality is mainly affected by the winter months in the first quarter of the year, characterized by increased consumption of chocolate products, as well as increased consumption of "fun and indulgence" products towards Purim and Passover.

Note 3 - Events during the reporting period

For further details regarding events during the reporting period, see Note 4 to the condensed consolidated interim financial statements.

Note 4 - Share-based payment

For further details regarding share-based payment, see Note 5 to the condensed consolidated interim financial statements.

Note 5 - Contingent liabilities

For further details regarding contingent liabilities, see Note 6 to the condensed consolidated interim financial statements.

Note 6 - Financial instruments

6.1 Fair value of financial instruments

For details regarding fair value of financial instruments, see Note 8.1 to the condensed consolidated interim financial statements.

6.2 Fair value hierarchy of financial instruments measured at fair value

For details regarding the fair value hierarchy of financial instruments measured at fair value, see Note 8.2 to the condensed consolidated interim financial statements.

6.3 Additional Information

For details regarding the issuance of BONDS of the Company see Note 8.3 to the condensed consolidated interim financial statements.

Note 7 - Events after the date of the report on the financial position

For further details regarding events after the date of the report on the financial position, see Note 9 to the condensed consolidated interim financial statements.

Strauss Group Ltd.

Quarterly Report on the Effectiveness of Internal Control
over Financial Reporting and Disclosure





Quarterly Report on the Effectiveness of Internal Control over Financial Reporting and Disclosure according to Regulation 38 C(a):

Management, under the supervision of the Board of Directors of Strauss Group Ltd. (hereinafter – the Corporation), is responsible for determining and maintaining adequate internal control over financial reporting and disclosure in the Corporation.

For this purpose, the members of management are:

1. Shai Babad, President & CEO
2. Ronen Zohar, Deputy CEO
3. Tobi Fishbein, Group CFO
4. Yael Nevo, Senior VP, General Counsel and Company Secretary
5. Hila Makuisius, Senior VP Human Resources
6. Raanan Kovalsky, CEO Strauss Israel
7. Linda Cohen Rofe, Senior VP Business Development and Strategy
8. Esti Carmeli, CEO Strauss Water

Internal control over financial reporting and disclosure includes controls and procedures existing in the Corporation, which were designed by the CEO and the senior officer in the field of finance or under their supervision, or by whoever actually performs the said functions, under the supervision of the Corporation's Board of Directors, and which are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of reports in accordance with the provisions of the law, and to ensure that information that the Corporation is required to disclose in the reports it publishes according to the provisions of the law is collected, processed, summarized, and reported at the time and in the format prescribed by law.

Internal control includes, among other things, controls and procedures designed to ensure that information that the Corporation is required to disclose as stated, is accumulated and transferred to the Corporation's management, including the CEO and the senior officer in the field of finance or whoever actually performs the said functions, in order to allow decision-making at the appropriate time, with respect to the disclosure requirement.

Due to its structural limitations, internal control over financial reporting and disclosure is not intended to provide absolute assurance that an erroneous presentation or omission of information in the reports will be prevented or discovered.

In the annual report on the effectiveness of internal control over financial reporting and disclosure which was attached to the Periodic report for the period ended December 31, 2025 (hereinafter – the last annual report on internal control), the Board of Directors and Management evaluated

the internal control in the Corporation; based on this evaluation, the Board of Directors and the Corporation's management reached the conclusion that the said internal control, as of December 31, 2025, is effective.

Until the date of the report, no event or matter has been brought to the attention of the Board of Directors and Management that would change the evaluation of the effectiveness of the internal control as found in the last annual report on internal control.

As of the date of the report, based on the evaluation of the effectiveness of internal control in the last annual report on internal control, and based on information brought to the attention of Management and the Board of Directors as stated above, the internal control is effective.

Managers' Declarations: (a) Declaration of the CEO according to Regulation 38 C(d)(1)

Managers' Declaration

Declaration of the CEO

I, Shai Babad, declare that:

- (1) I have examined the quarterly report of Strauss Group Ltd. (hereinafter – the Corporation) for the first quarter of 2026 (hereinafter – the Reports);
- (2) To my knowledge, the Reports do not include any misrepresentation of a material fact and do not lack a representation of a material fact necessary so that the representations included therein, in light of the circumstances in which those representations were included, will not be misleading with respect to the period of the Reports;
- (3) To my knowledge, the financial statements and other financial information included in the Reports fairly reflect, in all material respects, the financial position, results of operations and cash flows of the Corporation for the dates and periods to which the Reports relate;
- (4) I have disclosed to the Corporation's auditing accountant, to the Board of Directors and to the Audit and Financial Statements Committee of the Corporation, based on my most recent assessment of internal control over financial reporting and disclosure:
 - (a) All significant deficiencies and material weaknesses in the determination or operation of internal control over financial reporting and disclosure which are reasonably likely to adversely affect the Corporation's ability to collect, process, summarize or report financial information in a manner that casts doubt on the reliability of the financial reporting and the preparation of the financial statements in accordance with the provisions of the law; and-
 - (b) Any fraud, whether material or not material, involving the CEO or his direct subordinates or involving other employees who have a significant role in internal control over financial reporting and disclosure;
- (5) I, alone or together with others in the Corporation:
 - (a) I established controls and procedures, or ensured the establishment and existence of controls and procedures under my supervision, designed to ensure that material information relating to the Corporation, including its consolidated companies as defined in the Securities Regulations

(Annual Financial Statements), 2010, is brought to my attention by others in the Corporation and in the consolidated companies, particularly during the period of preparation of the Reports; and-

- (b) I established controls and procedures, or ensured the establishment and existence of controls and procedures under my supervision, designed to provide reasonable assurance regarding the reliability of the financial reporting and the preparation of the financial statements in accordance with the provisions of the law, including in accordance with accepted accounting principles;
- (c) No event or matter has come to my attention that occurred during the period between the date of the last report (the Periodic report for December 31, 2025) and the date of this report, which would change the conclusion of the Board of Directors and management regarding the effectiveness of internal control over financial reporting and disclosure of the Corporation.

Nothing in the foregoing shall derogate from my responsibility or the responsibility of any other person, under any law.

May 19, 2026

Shai Babad, President and CEO

(b) Declaration of the most senior officer in the field of finance according to Regulation 38 C(d)(2)

Managers' Declaration

Declaration of the Most Senior Officer in the Field of Finance

I, Tobi Fischbein, declare that:

- (1) I have examined the interim financial statements and the other financial information included in the reports for the interim period of Strauss Group Ltd. (hereinafter – the Corporation) for the first quarter of 2026 (hereinafter – the Reports);
- (2) To my knowledge, the interim financial statements and the other financial information included in the Reports do not include any misrepresentation of a material fact and do not lack a representation of a material fact necessary so that the representations included therein, in light of the circumstances in which those representations were included, will not be misleading with respect to the period of the Reports;
- (3) To my knowledge, the interim financial statements and the other financial information included in the reports for the interim period fairly reflect, in all material respects, the financial position, results of operations and cash flows of the Corporation for the dates and periods to which the Reports relate;
- (4) I have disclosed to the Corporation's auditing accountant, to the Board of Directors and to the Audit and Financial Statements Committee of the Corporation, based on my most recent assessment of internal control over financial reporting and disclosure:
 - (a) All significant deficiencies and material weaknesses in the determination or operation of internal control over financial reporting and disclosure as it relates to the interim financial reporting and the other financial information included in the reports for the interim period, which are reasonably likely to adversely affect the Corporation's ability to collect, process, summarize or report financial information in a manner that casts doubt on the reliability of the financial reporting and the preparation of the financial statements in accordance with the provisions of the law; and-
 - (b) Any fraud, whether material or not material, involving the CEO or his direct subordinates or involving other employees who have a significant role in internal control over financial reporting and disclosure;

(5) I, alone or together with others in the Corporation:

(a)

I established controls and procedures, or ensured the establishment and existence of controls and procedures under my supervision, designed to ensure that material information relating to the Corporation, including its consolidated companies as defined in the Securities Regulations (Annual Financial Statements), 2010, is brought to my attention by others in the Corporation and in the consolidated companies, particularly during the period of preparation of the Reports; and-

- (b) I established controls and procedures, or ensured the establishment and existence of controls and procedures under my supervision, designed to provide reasonable assurance regarding the reliability of the financial reporting and the preparation of the financial statements in accordance with the provisions of the law, including in accordance with accepted accounting principles;
- (c) No event or matter has come to my attention that occurred during the period between the date of the last report (the Periodic report for December 31, 2025) and the date of this report, which would change the conclusion of the Board of Directors and management regarding the effectiveness of internal control over financial reporting and disclosure of the Corporation.

Nothing in the foregoing shall derogate from my responsibility or the responsibility of any other person, under any law.

May 19, 2026

Tobi Fischbein, CFO



Strauss Group Ltd.

Attachment of Associated Company Reports Pursuant to Regulation 44 of the Securities Regulations, 1970





Três Corações Alimentos S.A.

Condensed consolidated interim financial
statements as of and for the three month
period ended March 31, 2026

The page contains only an image, apparently created using OCR, and it does not contain any readable text

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Independent auditors' report on review of condensed consolidated interim financial statements

To
Directors and shareholders of Três Corações Alimentos S.A.
Eusébio - Ceará

Introduction

We have reviewed the accompanying March 31, 2026 Condensed Consolidated Interim Statements of Financial Position of Três Corações Alimentos S.A. ("the Company"), which comprises:

- the condensed consolidated interim statement of financial position as at March 31, 2026;
- the condensed consolidated interim statements of Income and other comprehensive income for the three-month periods ended March 31, 2026;
- the condensed consolidated interim statements of changes in equity for the three-month period ended March 31, 2026;
- the condensed consolidated interim statements of cash flows for the three-month period ended March 31, 2026; and
- notes to the condensed consolidated interim financial statements.

Management is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with IAS 34, 'Interim Financial Reporting'. Our responsibility is to express a conclusion on this condensed (consolidated) interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance

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that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements as at March 31, 2026 is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

Fortaleza, May 13, 2026

KPMG Auditores Independentes Ltda.
CRC CE-003141/F-5

A handwritten signature in blue ink, appearing to read 'Pedro Barroso Silva Júnior', written over a faint circular stamp.

Pedro Barroso Silva Júnior
Contador CRC CE 021967/O 5

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Três Corações Alimentos S.A.

Condensed Consolidated Interim Statements of Financial Position as of March 31, 2026 and December 31, 2025

(In thousand of Brazilian Reais)



Assets	Note	2026	2025	Liabilities and equity	Note	2026	2025
Current				Current			
Cash and cash equivalents	4	1,910,478	1,934,322	Loans and borrowings	4	1,607,399	1,023,315
Deposits		17	-	Trade payables		1,619,882	1,939,216
Trade receivables		1,816,860	1,492,253	Lease liabilities		36,411	41,812
Inventories		1,922,365	2,115,908	Income tax payables		8,574	8,053
Recoverable taxes		121,404	103,720	Employees and other payroll related liabilities		122,931	137,765
Income tax receivable		38,301	41,682	Proposed dividends		84,698	-
Other assets		45,767	41,803	Interest on equity payable		33,855	-
		5,855,192	5,729,688	Payable taxes		47,098	64,189
				Other liabilities		41,326	37,669
						3,602,174	3,252,019
Non-current				Non-current			
Trade receivables		920	920	Loans and borrowings	4	974,026	1,292,947
Judicial deposits		10,423	9,803	Lease liabilities		40,686	46,917
Recoverable taxes		248,887	229,053	Other liabilities		20,989	24,123
Income tax receivable		20,180	21,516	Provision for legal proceedings		79,231	76,574
Other assets		100,892	92,759	Proposed dividends		522,277	604,164
Deferred tax assets		47,049	58,063	Interest on equity payable		137,608	128,575
Equity-accounted investees		122,581	114,259			1,774,817	2,173,300
Property, plant and equipment		963,088	953,331	Equity			
Intangible assets and goodwill		449,940	449,972	Share capital		1,165,400	1,165,400
Right-of-use assets		70,634	81,776	Reserves		1,035,016	1,030,336
		2,034,594	2,011,452	Retained earnings		312,379	120,085
				Total Equity		2,512,795	2,315,821
Total assets		7,889,786	7,741,140	Total liabilities and equity		7,889,786	7,741,140

The accompanying notes are an integral part of these consensed consolidated interim financial statements.

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Três Corações Alimentos S.A.

Condensed Consolidated Interim Statements of Income

Three month periods ended March 31, 2026 and 2025

(In thousand of Brazilian Reais)



		Three months period ended March 31,	
	Note	2026	2025
Revenue	7	3,091,850	3,281,654
Cost of sales	8	(2,346,026)	(2,789,055)
Gross profit		745,824	492,599
Selling and marketing expenses		(378,414)	(332,951)
General and administrative expenses		(64,693)	(62,942)
Allowance for expected credit losses		(1,881)	(3,814)
Share of profit of equity-accounted investees, net of tax		8,322	3,516
Operating profit before other income (expenses)		309,158	96,408
Other income (expenses), net		2,957	3,217
Operating profit		312,115	99,625
Financial costs		(87,985)	(70,628)
Financial income		56,539	25,993
Net finance costs		(31,446)	(44,635)
Profit before tax		280,669	54,990
Income tax	9	(41,375)	663
Profit for the period		239,294	55,653
Profit attributable to:			
Owners of the Company		239,294	55,653
Non-controlling interests		-	-
Total profit for the period		239,294	55,653

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

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Três Corações Alimentos S.A.

Condensed Consolidated Interim Statements of Comprehensive Income
Three month periods ended March 31, 2026 and 2025
(In thousand of Brazilian Reais)



	Three months period ended March 31,	
	2026	2025
Profit attributable to:	239,294	55,653
Items that are or may be reclassified subsequently to profit or loss		
Foreign operations - foreign currency translation differences	4,680	723
Comprehensive income for the period	243,974	56,376
Comprehensive income attributable to:		
Owners of the Company	243,974	56,376
Non-controlling interests	-	-
Total comprehensive income for the period	243,974	56,376

The accompanying notes are an integral part of these consensed consolidated interim financial statements.

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Três Corações Alimentos S.A.

Condensed Consolidated Interim Statements of Changes in Equity
Three month periods ended March 31, 2026 and 2025
(In thousand of Brazilian Reais)



	Note	Reserves				Retained earnings	Accumulated profit	Total	Non- controlling interests	Total Equity
		Share capital	Legal reserve	Tax incentives	Translation reserve					
Balance as of January 1, 2025		276,464	55,293	793,580	(239,060)	1,180,860	-	2,067,137	-	2,067,137
Profit for the period		-	-	-	-	-	55,653	55,653	-	55,653
Other comprehensive loss:										
Foreign currency translation differences		-	-	-	723	-	-	723	-	723
Total other comprehensive gain (loss):		-	-	-	723	-	55,653	56,376	-	56,376
Internal equity changes										
Change in interest in equity-accounted investees		-	-	-	-	(1,525)	-	(1,525)	-	(1,525)
Reserve for profit to be distributed		-	-	-	-	55,653	(55,653)	-	-	-
		-	-	-	-	54,128	(55,653)	(1,525)	-	(1,525)
Balance as of March 31, 2025		276,464	55,293	793,580	(238,337)	1,234,988	-	2,121,988	-	2,121,988
Balance as of December 31, 2025		1,165,400	100,047	1,160,274	(229,985)	120,085	-	2,315,821	-	2,315,821
Profit for the period		-	-	-	-	-	239,294	239,294	-	239,294
Other comprehensive loss:										
Foreign currency translation differences		-	-	-	4,680	-	-	4,680	-	4,680
Total other comprehensive gain (loss):		1,165,400	100,047	1,160,274	(225,305)	120,085	239,294	2,559,795	-	2,559,795
Internal equity changes										
Interest on equity credited	3	-	-	-	-	-	(47,000)	(47,000)	-	(47,000)
Reserve for profit to be distributed		-	-	-	-	192,294	(192,294)	-	-	-
		-	-	-	-	192,294	(239,294)	(47,000)	-	(47,000)
Balance as of March 31, 2026		1,165,400	100,047	1,160,274	(225,305)	312,379	-	2,512,795	-	2,512,795

The accompanying notes are an integral part of these consensed consolidated interim financial statements.

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Três Corações Alimentos S.A.

Condensed Consolidated Interim Statements of Cash Flow

Three month periods ended March 31, 2026 and 2025

(In thousand of Brazilian Reais)



	Three months period ended March 31,	
	2026	2025
Cash flows from operating activities		
Profit for the period	239,294	55,653
Adjustments for:		
Depreciation and amortization	38,000	36,247
Termination of lease contracts	-	(1,756)
Provision for legal proceedings	2,657	2,215
Allowance for expected credit losses	1,881	3,814
Other income, net	(2,957)	(3,217)
Share of profit of equity-accounted investees, net of tax	(8,322)	(3,516)
Net financial costs	31,446	44,635
Income tax expense	41,375	(663)
Change in:		
Trade receivables	(326,818)	(1,056,636)
Inventories	192,307	(388,053)
Recoverable and payable taxes, net	(56,277)	(28,582)
Judicial deposits	(620)	(145)
Trade payables	(319,363)	537,894
Employees and other payroll related liabilities	(14,834)	17,251
Other current and non-current assets and liabilities	(11,642)	(37,400)
Change in operating activities	(193,873)	(822,259)
Interest paid	(51,191)	(42,458)
Interest received	61,890	19,855
Income tax paid	(30,855)	(6,276)
Net cash flows used in operating activities	(214,029)	(851,138)
Cash flows from investing activities		
Change in deposits	(17)	20,793
Proceeds from sales of property, plant and equipment	4,979	5,040
Acquisition of property, plant and equipment	(34,444)	(27,353)
Investments in intangible assets	(4,385)	(2,211)
Dividend received	-	15
Net cash flows used in investing activities	(33,867)	(3,716)
Cash flows from financing activities		
Proceeds from loans	338,117	135,617
Repayment of loans	(102,433)	(315,758)
Payment of lease liabilities	(11,632)	(9,259)
Net cash flows provided by (used in) financing activities	224,052	(189,400)
Net decrease in cash and cash equivalents	(23,844)	(1,044,254)
Net decrease in cash and cash equivalents		
Cash and cash equivalents as at beginning of period	1,934,322	1,353,341
Cash and cash equivalents as at end of period	1,910,478	309,087
	(23,844)	(1,044,254)

The accompanying notes are an integral part of these consensed consolidated interim financial statements.

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Três Corações Alimentos S.A.

Notes to the condensed consolidated interim financial statements
(In thousands of Brazilian Reals)



1 General information

Três Corações Alimentos S.A. (the “Company”) together with its subsidiaries (the “Group”) are an industrial and commercial Group, which operates in Brazil, in producing and selling branded coffee products, machines, powdered juices, chocolate drinks, cornmeal products, green coffee exports, lending Away-From-Home machines, operation of coffee shops, roasting and selling specialty coffees in e-commerce and to third party businesses and investing in other companies. The Group also operates through joint-venture (JV) in the sales of multi-beverage single portion capsules, plant-based beverages, especially nuts milk and isotonic ones, cashew butter, snacks and flour products.

The Company is located at Rua Santa Clara, 100, Parque Santa Clara, Eusébio, Ceará, Brazil. The Company controls the entities Cafeterias Três Corações Ltda., Prumo Participações Ltda. (which controls Rituais Café S.A.) and Café Três Corações S.A. (which controls Principal Comércio e Indústria Ltda and Café Brasileiro Alimentos Ltda.). The Company also participates in JV agreements, sharing the control with third parties of the companies 3Caffi Indústria e Comércio de Cápsulas S.A. (“3Caffi”) and Positive Company Indústria e Comércio Ltda (“Positive Company”), Positive Company controls Unnix Indústria e Comércio S.A (“Zaya”). In 2026, the company Unnix E-Commerce Ltda was established to operate the online sales of Zaya.

The Group is currently the largest group in roasted and ground coffee business in Brazil according to Nielsen Flash Report, and owns with JVs coffee and other food brands: Santa Clara, Kimimo, Três Corações, Pimpinela, Principal, Fino Grão, Café Doutor, Café Opção, Café Divinópolis, Café Geronymo, Estrada Real, Café Letícia, Itamaraty, Londrina, Café do Cuca, Ouribom, Bangu, Fort, Choccolato, Claralate, Dona Clara, Claramil, Frisco, Tornado, Iguaçu, Cruzeiro, Amigo, Cirol, Cirol Real, Realmil, Toko, Apollo, Astoria, Manaus, Tapajós, Betânia, Tribo do Café, Bar Barista, Rituais, Café Brasileiro, Café 3 Fazendas, Café Bandeira, Café Premiado, .br, .br Gold, Coolate, TRES, A Tal da Castanha, Plant Power, Possible, Zaya and Zaytas.

The Group’s industrial facilities are located in the states of Ceará, Rio Grande do Norte, Minas Gerais, Rio de Janeiro, Amazonas, São Paulo and Mato Grosso; distribution centers in almost all states of Brazil; green coffee processing plants in the state of Minas Gerais; and coffee shops in the cities of Fortaleza, Natal and Curitiba. Part of the facilities used by the Group is leased from one of its related parties, Três Corações Imóveis Armazéns Gerais e Serviços Ltda., which is not consolidated in these financial statements, since it is not part of the Group structure presented below, it is owned by São Miguel Holding e Investimentos S.A. (50%) and Strauss Coffee B.V. (50%).

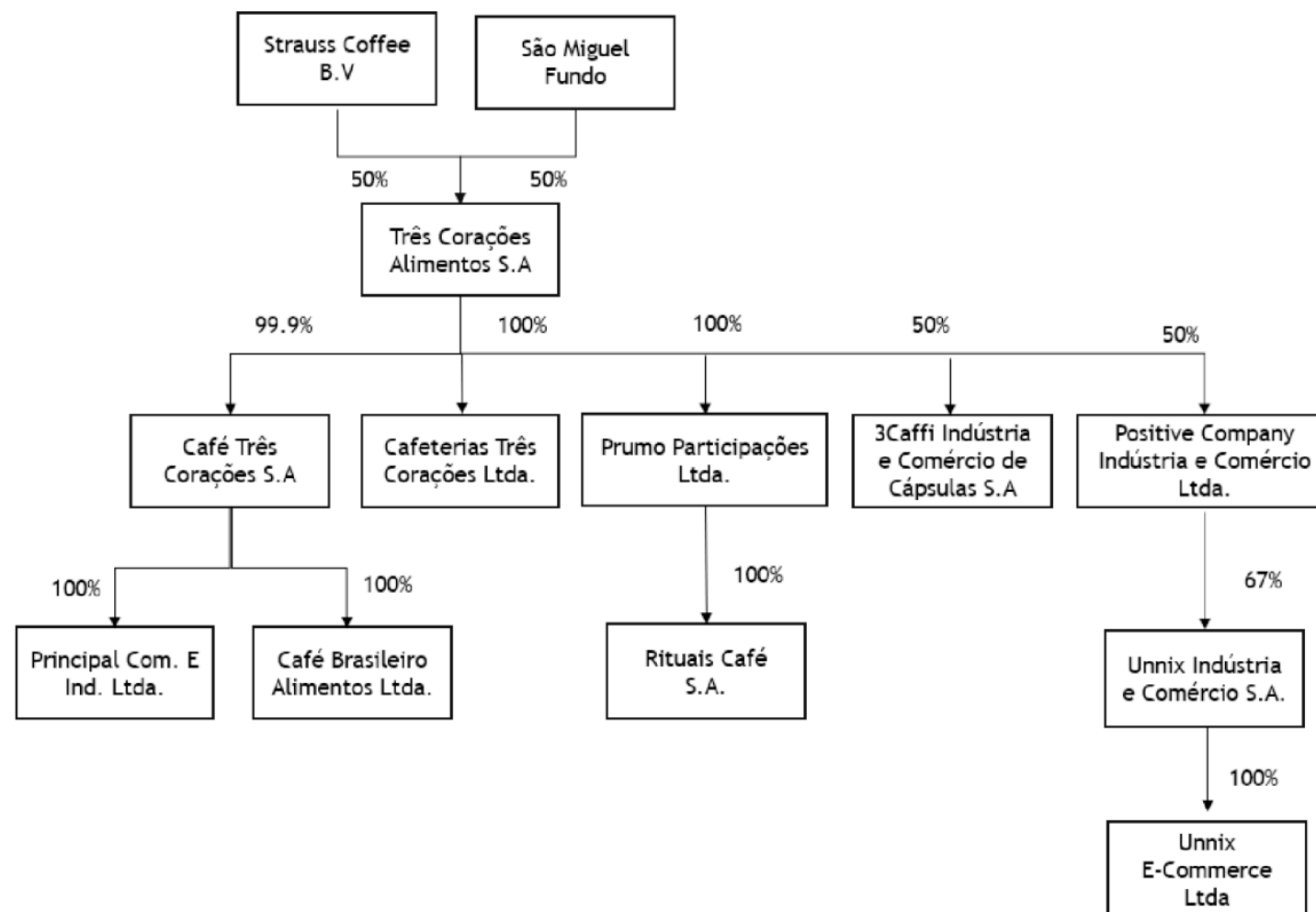
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Três Corações Alimentos S.A.

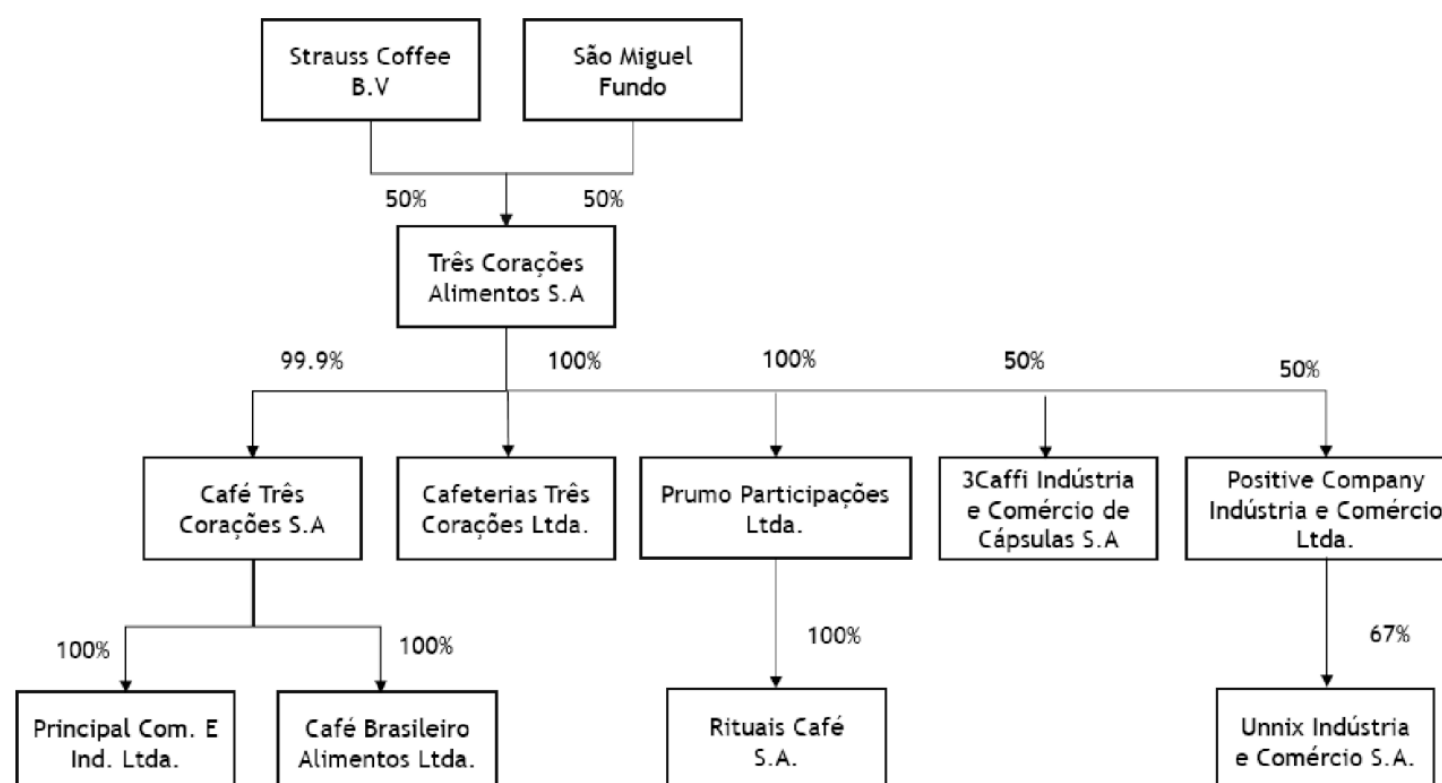
Notes to the condensed consolidated interim financial statements
(In thousands of Brazilian Reals)



On March 31, 2026, the Group has the following structure:



On December 31, 2025, the Group has the following structure:



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Três Corações Alimentos S.A.

Notes to the condensed consolidated interim financial statements
(In thousands of Brazilian Reals)



2 Basis of preparation

2.1 Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting, and should be read in conjunction with the IFRS audited consolidated financial statements as at and for the year ended December 31, 2025 ('last annual financial statements'). They do not include all of the information required for a complete set of financial statements prepared in accordance with IFRS Accounting Standards. However, explanatory notes are included to explain events and transactions that are significant for understanding of the changes in the financial position and performance since the last annual financial statements.

These condensed consolidated interim financial statements were authorized for issuance by Company's Management on May 13, 2026.

2.2 Significant accounting policies, judgments and estimates

The accounting policies, judgments and estimates applied in the preparation of these interim condensed consolidated financial statements are consistent with those followed in the preparation of the Company's annual consolidated financial statements for the year ended December 31, 2025. The Group has not adopted any other standards, interpretations or amendments that have been issued but are not yet effective.

3 Material events during the reporting period

3.1 Acquisition of Yoki and Kitano

On March 17, 2026, the Company entered into a purchase and sale agreement for assets and equity interests to acquire General Mills' operations in Brazil. The transaction is valued at R\$ 800,000 (eight hundred million reais), subject to price adjustments common to this type of operation.

With the completion of the deal, the Group will control and manage the Yoki and Kitano brands. The acquisition represents a milestone in the Group's portfolio diversification and complementarity strategy, significantly expanding its presence in the food sector and extending its reach beyond the coffee and ready-to-drink beverage segment.

The completion of the transaction is subject to approval by the relevant regulatory authorities, including the Administrative Council for Economic Defense (Cade - in Portuguese), as well as other customary closing conditions. Until Cade's approval and the consolidation of the business, the operations of Yoki and Kitano will remain under the management of General Mills.

3.2 Interest on Equity

The Company approved the recommendation of the Board of Directors on March 31, 2026 for the distribution of Interest on Equity (IOE) in the amount of R\$ 47,000 (R\$ 42,887 net of income tax). This amount is to be paid until 2031 observing the financial situation of the Company and in accordance with the Dividend Policy.

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Três Corações Alimentos S.A.

Notes to the condensed consolidated interim financial statements
(In thousands of Brazilian Reals)



4 Cash and cash equivalents, short and long term loans

	March 31, 2026	December 31, 2025
Short term loans	1,607,399	1,023,315
Long term loans	974,026	1,292,947
Cash and cash equivalents	(1,910,478)	(1,934,322)
Total	<u>670,947</u>	<u>381,940</u>

Cash and cash equivalents decrease is mainly due usage in operating activities such as trade receivables, payables and the investing activity of acquisition of fixed assets. Below is presented the cash flow used for the three month period:

- Cash flows used in operating activities, in the amount of R\$ (214,029);
- Cash flows used in investing activities, in the amount of R\$ (33,867);
- Cash flows provided by financing activities, in the amount of R\$ 224,052.

There are no debt covenants in the Group's loans contracts with the banks.

5 Provision for legal proceedings

There were no material events, except for the usual interest accrued on the provisioned contingent liability balances.

6 Financial instruments

6.1 Fair value of financial instruments

The carrying amounts of cash and cash equivalents, deposits, trade receivables, other current and non-current assets and liabilities, trade payables and loans to related parties, are equal or close to their fair values, except as mentioned below.

Presented below are the carrying amounts and fair values of financial liabilities that are not presented in the financial statements at fair value:

	Level of hierarchy of fair value	March 31, 2026		December 31, 2025	
		Carrying amount	Fair value	Carrying amount	Fair value
Financial liabilities					
Short term loans	2	1,607,399	1,867,970	1,023,315	1,189,202
Long term loans	2	974,026	1,124,117	1,292,947	1,492,181
		<u>2,581,425</u>	<u>2,992,087</u>	<u>2,316,262</u>	<u>2,681,383</u>

The fair value is based on the contractual cash flows, discounted based on the market interest rates as of each reporting date. The carrying amount includes interest accrued as of each reporting date.

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Três Corações Alimentos S.A.

Notes to the condensed consolidated interim financial statements
(In thousands of Brazilian Reals)



6.2 Fair value hierarchy

The Group uses the following hierarchy to determine and disclose the fair values of financial instruments, based on the valuation methodology used:

- **Level 1:** quoted prices in an active market for identical assets and liabilities;
- **Level 2:** values determined by other techniques, for which all of the data, having a significant effect on the recorded fair value, are observable, directly or indirectly;

The fair value of assets and liabilities that are not quoted in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques.

These valuation techniques maximize the use of observable market data when it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2. If one or more of the significant inputs are not based on observable market data, the asset or liability is considered as valued from Level 3 source of information.

Specific valuation techniques that might be used to value financial instruments in general include:

- Quoted market prices or dealer quotes for similar instruments;
 - The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves;
 - Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.
- **Level 3:** inputs for valuing a financial instrument that is not based on observable market data (that is, unobservable inputs).

On March 31, 2026 and December 31, 2025, the Group had no financial instruments classified at Level 3.

7 Revenue

7.1 Disaggregated revenue information

	Products	Services	March 31, 2026
Geographical markets			
Domestic	3,056,906	457	3,057,363
Foreign	34,487	-	34,487
Chile	16,352	-	16,352
Argentina	5,157	-	5,157
Bolivia	4,837	-	4,837
United States	2,202	-	2,202
Ecuador	2,160	-	2,160
Other countries	3,779	-	3,779
	3,091,393	457	3,091,850

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Três Corações Alimentos S.A.

Notes to the condensed consolidated interim financial statements
(In thousands of Brazilian Reals)



	Products	Services	March 31, 2025
Geographical markets			
Domestic	3,221,515	485	3,222,000
Foreign	59,654	-	59,654
Japan	22,464	-	22,464
United States	13,700	-	13,700
Chile	10,132	-	10,132
Switzerland	3,335	-	3,335
Germany	2,855	-	2,855
Other countries	7,168	-	7,168
	<u>3,281,169</u>	<u>485</u>	<u>3,281,654</u>

7.2 Composition of Revenue

	Three month periods ended March 31,	
	2026	2025
Revenue:		
Products - domestic	3,847,644	3,762,027
Products - foreign	36,081	61,121
Services	468	496
Other	176	146
Revenue deductions:		
Taxes on sales	(433,113)	(351,215)
State VAT incentives	96,898	90,999
Discounts	(357,981)	(216,626)
Other deductions	(98,323)	(65,294)
Revenue	<u>3,091,850</u>	<u>3,281,654</u>

8 Cost of sales

	Three month periods ended March 31,	
	2026	2025
Materials consumed	(2,279,914)	(2,728,308)
Wages, salaries and related expenses	(31,389)	(27,247)
Energy and gas	(13,073)	(13,799)
Depreciation and amortization	(8,117)	(7,498)
Services contracted	(6,347)	(5,744)
Maintenance	(3,604)	(3,436)
Other	(3,582)	(3,023)
	<u>(2,346,026)</u>	<u>(2,789,055)</u>

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Três Corações Alimentos S.A.

Notes to the condensed consolidated interim financial statements
(In thousands of Brazilian Reals)



9 Income tax

9.1 Amounts recognized in statement of income

	Three month periods ended March 31,	
	2026	2025
Current taxes	(30,360)	(10,779)
Deferred taxes	(6,465)	11,442
Carryforward tax loss	(4,550)	-
	(41,375)	663

9.2 Reconciliation of effective tax rate

	Three month periods ended March 31,	
	2026	2025
Profit (loss) before taxes on income	280,669	54,990
Primary tax rate of the Company	-34.00%	-34.00%
Tax calculated according to the Company's primary tax rate	(95,427)	(18,697)
Permanent differences, net:		
Share of profit of equity-accounted investees, net of tax	2,829	1,195
Interest on equity	15,980	-
State tax incentives	30,246	25,078
Federal incentive	8,566	3,162
IAS 21 adjustments	(2,174)	(5,247)
Tax rate differential	3,153	(2,623)
Non-deductible expenses	(3,885)	(3,529)
Carryforward tax losses from previous periods	-	7,138
Profit eliminations on inventory	(487)	(1,665)
Pillar 2	-	(2,673)
Other	(176)	(1,476)
Taxes on income in the statement of income	(41,375)	663
Effective tax rate	-14.74%	1.21%

* * *

Pedro Alcântara Rego de Lima
Chief Executive Officer

Danísio Costa Lima Barbosa
Chief Financial Officer

Anya Monteiro de
Albuquerque
Controller CRC/CE 015582/O-4

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