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# M. Yohannoff & Sons (1988) Ltd.

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("The Company")

**September 9, 2025**

To:

Israel Securities Authority  
Via MAGNA

Tel Aviv Stock Exchange Ltd.  
Via MAGNA

Dear Sir/Madam,

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## **Subject: Sale of Shares in the 'Zol Stock' Chain**

The Company is honored to announce that it has entered into an agreement to sell all of its holdings in the shares of Y. Talia Import and Marketing Ltd. ("Zol Stock"), which owns and operates the 'Zol Stock' retail chain for the import and retail sale of household products <sup>101</sup>. The sale will be of 50.1% of Zol Stock's shares ("the Sold Shares"), to Shay Olamot BaGalil Ltd., which to the best of the Company's knowledge is a private company controlled by Mr. Ronen Ganun and Mr. Shmuel Atias, and which is not related to the Company <sup>102</sup>, as well as to the two other existing shareholders of Zol Stock <sup>103</sup> (hereinafter together: "the Purchasers"). After the transaction, the Company will not hold any shares in Zol Stock or in companies related to Zol Stock's activities.

The Company continues its independent activity of importing and retailing household and related products, as part of its growth strategy in the retail sales sector.

As consideration for the sale of the Sold Shares, the Purchasers will pay the Company a total of NIS 48 million. The value in the transaction for the purpose of determining the consideration was set as part of negotiations between the Company and the Purchasers.

Within the framework of the purchase agreement, it was determined that the Purchasers and Zol Stock release the Company from any obligation towards the Company or any claim, including if it occurred prior to the completion date. In addition, the shareholders' agreement between the Company and the other shareholders in Zol Stock will be canceled.

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Completion of the sale is subject, among other things, to the fulfillment of the following conditions precedent:

- (a) Receipt of approval from the Competition Commissioner for the execution of the transaction;
- (b) Receipt of approvals for the execution of the transaction from lessors and banks, as required, including the cancellation of guarantees granted by the Company;
- (c) Receipt of consolidated financial statements of Zol Stock, as of the completion date of the transaction, duly signed and audited, prepared in accordance with generally accepted accounting principles (as defined in the Securities Regulations (Periodic and Immediate Reports), 1970);
- (d) Absence of a material adverse effect (as defined in the sale agreement) on Zol Stock.



*Alt: Signature*

רח' מוטי קינד 10, בניין סנטרו, רחובות 7638519 טלפון: 076-8175717

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The Company acquired control of Zol Stock in 2021 for a total consideration of NIS 45 million. In addition, during the said period, Zol Stock distributed dividends totaling approximately NIS 10 million, of which the Company's share was about NIS 5 million. As a result of the sale, the Company is expected to record a capital loss of approximately NIS 4.7 million.

It is clarified that the fulfillment of the conditions precedent and the completion of the sale constitute forward-looking information (as defined in the Securities Law, 1968), there is no certainty of their occurrence, they are not solely under the Company's control, and their actual realization may differ materially from what is planned, inter alia as a result of difficulties and/or conditions in fulfilling the conditions precedent that require third-party approvals.

Sincerely,

**M. Yohannoff & Sons (1988) Ltd.**

Signed by:

- Hezi Sidon, Head of Legal Department and Company Secretary
- Oz Yosef, CFO

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**FOOTNOTE:**

<sup>101</sup> For full details regarding the activities of 'Zol Stock', see Section 8 of Chapter A in the Company's 2024 periodic report (Reference 2025-01-021840).

<sup>102</sup> The Company leases from a company controlled by Mr. Ganun a building used for the operation of one of its retail stores.

<sup>103</sup> Shay Olamot BaGalil Ltd. will purchase 50% of Zol Stock's shares, while the two other existing shareholders of the company, Adir Vanunu and Sahar Kochavi, will each purchase the remaining 0.5%. The sale to the purchaser also includes the Company's holdings in the shares of Zol Stock Yohannoff 2021 Ltd., which is a company with no activity as of this date.

<sup>204</sup> Estimated amount, dependent on the completion date of the sale.