

**Tempo Beverages Ltd.**

**Consolidated Financial Statements**

**As of December 31, 2025**

**Consolidated Financial Statements**  
**As of December 31, 2025**

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**Consolidated Statement of Financial Position as at**

	Note	December 31	
		2025	2024
		NIS thousands	NIS thousands
<b>Current assets</b>			
Cash and cash equivalents		48,958	35,493
Trade receivables	4	537,062	486,471
Other receivables	5	54,479	56,468
Derivative instruments		301	-
Inventory	6	532,672	476,326
Current tax assets		3,857	11,656
<b>Total current assets</b>		<b>1,177,329</b>	<b>1,066,414</b>
Long-term loans and receivables	7	24,458	18,907
Fixed assets	9	991,241	899,597
Intangible assets	10	297,665	112,037
Investment in equity-accounted investee companies	8	84,525	75,275
Investments measured at fair value	8	16,581	15,613
Inventory in process		4,324	4,817
Deferred tax assets	24	13,918	12,867
<b>Total non-current assets</b>		<b>1,432,712</b>	<b>1,139,113</b>
<b>Total assets</b>		<b>2,610,041</b>	<b>2,205,527</b>

The accompanying notes are an integral part of the consolidated financial statements.

**Consolidated Statement of Financial Position as at**

	Note	December 31	
		2025	2024
		NIS thousands	NIS thousands
<b>Liabilities</b>			
Short-term credit from banks and others	11	500,176	385,218
Trade payables	12	420,697	371,689
Other payables	13	156,025	147,438
Derivative instruments		8,599	7,368
Current maturities of debentures	15	22,571	22,659
Current maturities of liabilities in respect of leasing	30	48,175	45,528
Current tax liabilities		37,105	4,361
<b>Total current liabilities</b>		<b>1,193,348</b>	<b>984,261</b>
Liabilities to banking institutions	14	71,958	7,749
Other long-term liabilities	14	104,950	2,799
Long-term liabilities in respect of leasing	30	157,629	151,810
Debentures	15	66,346	88,366
Deferred tax liabilities	24	57,769	70,446
Employee benefits	16	8,151	6,832
<b>Total non-current liabilities</b>		<b>466,803</b>	<b>328,002</b>
<b>Total liabilities</b>		<b>1,660,151</b>	<b>1,312,263</b>
<b>Equity</b>			
<b>Non-controlling interests</b>		<b>1,103</b>	<b>1,040</b>
Share capital		1	1
Share premium		147,334	147,334
Capital reserves		(22,427)	(106)
Retained earnings		823,879	744,995
<b>Total equity attributable to equity holders of the Company</b>	17	<b>948,787</b>	<b>892,224</b>
<b>Total equity</b>		<b>949,890</b>	<b>893,264</b>
<b>Total liabilities and equity</b>		<b>2,610,041</b>	<b>2,205,527</b>

Jacques Beer  
Chairman of the  
Board

Daniel Beer  
CEO

Amir Bornstien  
Deputy Chairman of  
the Board

Eyal Tregerman  
CFO

Date of approval of financial statements: March 26, 2026

The accompanying notes are an integral part of the consolidated financial statements.

**Consolidated Statement of Income for the year ended December 31**

	Note	<u>2025</u> NIS thousands	<u>2024</u> NIS thousands	<u>2023</u> NIS thousands
Revenues from sales, net	18	<b>2,804,127</b>	2,505,293	1,994,001
Cost of sales	19	<b>1,863,078</b>	1,715,080	1,375,592
<b>Gross profit</b>		<b>941,049</b>	790,213	618,409
Selling and marketing expenses	20	<b>(545,866)</b>	(478,655)	(393,640)
General and administrative expenses	22	<b>(145,955)</b>	(122,276)	(103,508)
Other income	21	<b>740</b>	3,674	33,853
Other expenses	21	<b>(5,816)</b>	(6,505)	(18,500)
<b>Operating profit</b>		<b>244,152</b>	186,451	136,614
Financing income	23	<b>7,371</b>	4,274	1,915
Financing expenses	23	<b>(78,063)</b>	(41,673)	(44,631)
<b>Financing expenses, net</b>		<b>(70,692)</b>	(37,399)	(42,716)
Share in profits (losses) of equity-accounted investee companies	8	<b>346</b>	(5,944)	(7,159)
<b>Profit before taxes on income</b>		<b>173,806</b>	143,108	86,739
Taxes on income	24	<b>(44,789)</b>	(36,491)	(15,956)
<b>Profit for the year</b>		<b>129,017</b>	106,617	70,783
<b>Profit (loss) attributed to:</b>				
Equity holders of the Company		<b>128,954</b>	107,241	71,267
Non-controlling interests		<b>63</b>	(624)	(484)
		<b>129,017</b>	106,617	70,783

The accompanying notes are an integral part of the consolidated financial statements.

**Consolidated Statement of Income and Loss and Other Comprehensive Income  
for the year ended December 31**

	<u>2025</u>	<u>2024</u>	<u>2023</u>
	<u>NIS thousands</u>	<u>NIS thousands</u>	<u>NIS thousands</u>
Profit for the year	<b>129,017</b>	106,617	70,783
<b>Components of the other comprehensive income after initial recognition were or will be carried to profit and loss:</b>			
Foreign currency translation differences in respect of foreign operations	<b>(26,664)</b>	(4,478)	5,359
Hedging of an investment in foreign operation	<b>4,343</b>	-	-
<b>Components of the other comprehensive income not carried to profit and loss:</b>			
Actuarial gains (losses) from defined benefit plan, net of tax	<u>(70)</u>	<u>845</u>	<u>989</u>
Other comprehensive gains (losses), net of tax	<u>(22,391)</u>	<u>(3,633)</u>	<u>6,348</u>
<b>Total comprehensive income for the year</b>	<b><u>106,626</u></b>	<b><u>102,984</u></b>	<b><u>77,131</u></b>
<b>Comprehensive income (loss) attributed to:</b>			
Equity holders of the Company	<b>106,563</b>	103,608	77,615
Non-controlling interests	<u>63</u>	<u>(624)</u>	<u>(484)</u>
<b>Total comprehensive income for the year</b>	<b><u>106,626</u></b>	<b><u>102,984</u></b>	<b><u>77,131</u></b>

The accompanying notes are an integral part of the consolidated financial statements.

**Statement of Changes in Shareholders' Equity**

	Attributable to the shareholders of the Company						Non-Controlling Interests	Total Equity
	Share Capital	Share Premium	Translation Reserve	Hedging Reserve	Retained Earnings	Total		
	NIS thousands							
<b>For the year ended December 31, 2025</b>								
<b>Balance as at January 1, 2025</b>	<b>1</b>	<b>147,334</b>	<b>(106)</b>	<b>-</b>	<b>744,995</b>	<b>892,224</b>	<b>1,040</b>	<b>893,264</b>
Dividend paid	-	-	-	-	(50,000)	(50,000)	-	(50,000)
Foreign currency translation differences in respect of foreign operations	-	-	(26,664)	-	-	(26,664)	-	(26,664)
Hedging of an investment in foreign operation	-	-	-	4,343	-	4,343	-	4,343
Actuarial losses from defined benefit plan, net of tax	-	-	-	-	(70)	(70)	-	(70)
Profit for the year	-	-	-	-	128,954	128,954	63	129,017
<b>Balance as at December 31, 2025</b>	<b>1</b>	<b>147,334</b>	<b>(26,770)</b>	<b>4,343</b>	<b>823,879</b>	<b>948,787</b>	<b>1,103</b>	<b>949,890</b>
<b>For the year ended December 31, 2024</b>								
<b>Balance as at January 1, 2024</b>	<b>1</b>	<b>147,334</b>	<b>4,372</b>	<b>-</b>	<b>667,408</b>	<b>819,115</b>	<b>2,337</b>	<b>821,452</b>
Dividend paid	-	-	-	-	(30,000)	(30,000)	-	(30,000)
Foreign currency translation differences in respect of foreign operations	-	-	(4,478)	-	-	(4,478)	-	(4,478)
Actuarial gains from defined benefit plan, net of tax	-	-	-	-	845	845	-	845
Purchase of non-controlling interests	-	-	-	-	(499)	(499)	(673)	(1,172)
Profit for the year	-	-	-	-	107,241	107,241	(624)	106,617
<b>Balance as at December 31, 2024</b>	<b>1</b>	<b>147,334</b>	<b>(106)</b>	<b>-</b>	<b>744,995</b>	<b>892,224</b>	<b>1,040</b>	<b>893,264</b>
<b>For the year ended December 31, 2023</b>								
<b>Balance as at January 1, 2023</b>	<b>1</b>	<b>147,334</b>	<b>(987)</b>	<b>-</b>	<b>650,152</b>	<b>796,500</b>	<b>567</b>	<b>797,067</b>
Dividend paid	-	-	-	-	(55,000)	(55,000)	-	(55,000)
Foreign currency translation differences in respect of foreign operations	-	-	5,359	-	-	5,359	-	5,359
Actuarial gains from defined benefit plan, net of tax	-	-	-	-	989	989	-	989
Minority interests in respect of business combination	-	-	-	-	-	-	2,254	2,254
Profit for the year	-	-	-	-	71,267	71,267	(484)	70,783
<b>Balance as at December 31, 2023</b>	<b>1</b>	<b>147,334</b>	<b>4,372</b>	<b>-</b>	<b>667,408</b>	<b>819,115</b>	<b>2,337</b>	<b>821,452</b>

The accompanying notes are an integral part of the consolidated financial statements.

**Consolidated Statement of Cash Flows**

	<u>2025</u>	<u>2024</u>	<u>2023</u>
	<u>NIS thousands</u>	<u>NIS thousands</u>	<u>NIS thousands</u>
<b>Cash flows from operating activities</b>			
Net income for the year	129,017	106,617	70,783
Adjustments:			
Depreciation and amortization	197,857	170,989	148,738
Share of Company in losses (profits) of equity-accounted investee companies	(346)	5,944	7,159
Loss (gain) on revaluation of investments, net	634	3,607	(28,300)
Financing expenses, net	51,649	38,061	30,446
Capital loss from sale of fixed assets, net	913	813	152
Tax expenses on income	44,789	36,491	15,956
	<u>424,513</u>	<u>362,522</u>	<u>244,934</u>
Change in inventory	(18,266)	53,179	(91,015)
Change in trade receivables and other receivables	68,684	(86,194)	24,001
Change in trade payables and other payables	44,716	97,077	(22,900)
Change in employee benefits	1,228	1,941	1,397
	<u>96,362</u>	<u>66,003</u>	<u>(88,517)</u>
Income tax paid	(17,946)	(32,819)	(27,893)
	<u>502,929</u>	<u>395,706</u>	<u>128,524</u>
<b>Net cash provided by operating activities</b>			
<b>Cash flows from investment activities</b>			
Acquisition of subsidiaries net of cash received	(195,167)	115	(47,381)
Investment in investee companies and partnerships	(624)	(1,022)	(35,975)
Payment of deferred consideration in respect of acquisition of subsidiary	(18,935)	(9,405)	-
Dividends received	-	-	15,000
Loans granted to investee companies	(2,852)	(9,829)	(575)
Repayment of loans granted to investee companies	1,794	12,930	2,665
Investments in companies measured at fair value	(1,605)	(3,529)	(1,130)
Proceeds from sale of fixed assets	10,757	3,085	1,135
Acquisition of fixed assets	(97,748)	(116,830)	(118,013)
Acquisition of intangible assets	(3,615)	(7,113)	(5,388)
Investment in long-term receivables	(34,315)	(20,725)	(24,557)
Receipts from investment in long-term receivables	12,218	9,759	11,354
	<u>(330,092)</u>	<u>(142,564)</u>	<u>(202,865)</u>
<b>Net cash used in investment activities</b>			

The accompanying notes are an integral part of the consolidated financial statements.

**Statement of Cash Flows for the Year ended December 31 (cont'd)**

	<u>2025</u>	<u>2024</u>	<u>2023</u>
	<u>NIS thousands</u>	<u>NIS thousands</u>	<u>NIS thousands</u>
<b>Cash flows from financing activities</b>			
Short-term credit, net	<b>106,165</b>	(88,837)	292,548
Purchase of non-controlling interests	-	(1,172)	-
Dividend paid	<b>(50,000)</b>	(30,000)	(55,000)
Repayment of debentures	<b>(22,220)</b>	(41,744)	(61,266)
Receipt of long-term bank loan	-	5,570	-
Repayment of long-term banks loans	<b>(95,364)</b>	(12,992)	(16,367)
Repayment of principal of liabilities in respect of leasing	<b>(49,473)</b>	(44,962)	(39,196)
Repayment of other long- term liabilities	<b>(140)</b>	(140)	(140)
Interest paid	<b>(47,759)</b>	(37,853)	(31,055)
<b>Net cash provided by (used in) financing activities</b>	<b>(158,791)</b>	(252,130)	89,524
<b>Net change in cash and cash equivalents</b>	<b>14,046</b>	1,012	15,183
Cash and cash equivalents as at the beginning of the year	<b>35,493</b>	34,710	19,342
Impact of exchange rate fluctuations on balance of cash and cash equivalents	<b>(581)</b>	(229)	185
<b>Cash and cash equivalents as at the end of the year</b>	<b>48,958</b>	35,493	34,710

The accompanying notes are an integral part of the consolidated financial statements.

## Notes to the Consolidated Financial Statements

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### Note 1 – General

#### A. The reporting entity

Tempo Beverages Ltd. (hereinafter – the “Company”) is an Israeli-resident company which was incorporated in Israel. The official address of the Company is 2 Giborei Israel Street, Sapir Industrial Zone, Netanya. The consolidated financial statements of the Company as of December 31, 2025 include those of the Company and its subsidiaries (hereinafter together – the “Group”), and the rights of the Group in equity-accounted investee companies and partnerships. The Company is held under the joint control of Tempo Holdings (2021) Ltd. (hereinafter – “Tempo Holdings”) (60%), and Heineken International B.V. (40%). The Group engages in the manufacture, import, marketing, sales and distribution of non-alcoholic beverages, light alcoholic beverages, alcoholic beverages, wines and hard drinks. The Group also engages in the manufacture, import, marketing, sale and distribution of food products.

The debentures of the Company are listed for trade on the Tel Aviv Stock Exchange.

#### B. Operation “Lion’s Roar”

On February 28, 2026, Operation “Lion’s Roar” commenced (hereinafter – the “Operation”) and concurrently an emergency situation was declared in the economy.

Since the beginning of the Operation, there has been a significant decline in the activity of the Company’s “On-Trade market” customers (particularly event halls, clubs, bars and pubs). This has had an impact mainly in the area of alcoholic beverages, while there has been no significant impact on the Company’s sales to the “Off-Trade market”.

As of the date of approval of the financial statements, the Company finds itself unable to reliably estimate the scope of the possible impact of the Operation on its business activity and the financial results of operations.

#### C. Definitions

##### In these financial statements -

1. **The Company** – Tempo Beverages Limited.
2. **The Group** – Tempo Beverages Limited and its consolidated subsidiaries
3. **Consolidated companies / subsidiaries** – Companies, whose financial statements are fully consolidated, directly or indirectly, with those of the Company.
4. **Investee companies and partnership** – Companies and a partnership, including a joint venture, the investment of the Company in which is included, directly or indirectly, in the financial statements on the equity basis.
5. **Joint arrangements** – Arrangements in which the Group has joint control, achieved pursuant to a contractual agreement that requires unanimous consent regarding activities that significantly impact the yield from the arrangement.
6. **Parent Company / Tempo Holdings** – Tempo Holdings (2021) Ltd.
7. **Interested parties** – As defined in Paragraph (1) of the definition of an “interested party” in a company in Article 1 of the Securities Law – 1968.
8. **Related party** - As defined in International Accounting Standard 24 (2009), “Related Party Disclosures”.

## Notes to the Consolidated Financial Statements

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### Note 2 - Basis of Preparation of the Financial Statements

#### A. Statement of compliance with IFRS

The consolidated financial statements have been prepared by the Group in accordance with International Financial Reporting Standards (IFRS® Accounting Standards) (IFRSs). The financial statements have been prepared also in accordance with the Securities Regulations (Annual Financial Statements) - 2010. The consolidated financial statements were authorized for issue by the Company's Board of Directors on March 26, 2026.

#### B. Functional and presentation currency

These consolidated financial statements are presented in NIS, which is the Company's functional currency, and have been rounded to the nearest thousand. The NIS is the currency that represents the principal economic environment in which the Company operates.

#### C. Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following assets and liabilities:

- Derivative financial instruments measured at fair value through profit or loss;
- Deferred tax assets and liabilities;
- Liabilities in respect of employee benefits;
- Inventory measured at the lower of cost and net realization value;
- Investments in affiliated companies / joint ventures;
- Investments measured at fair value;
- Put options to non-controlling interest holders.

For further information regarding the measurement and these assets and liabilities see Note 3 regarding significant accounting policies.

#### D. Use of estimates and judgments

##### *Use of estimates*

The preparation of financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The preparation of accounting estimates used in the preparation of the Group's financial statements requires that management of the Company make assumptions regarding circumstances and events that involve considerable uncertainty. Company Management prepares the estimates on the basis of past experience, various facts, external circumstances, and reasonable assumptions according to the pertinent circumstances of each estimate. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information about assumptions made by the Group with respect to the future and other reasons for uncertainty with respect to estimates that have a significant risk of resulting in a material adjustment to carrying amounts of assets and liabilities in the next financial year is presented in the following notes:

##### Contingent liabilities

Management of the Company assesses whether it is more likely than not that an outflow of economic resources will be required in respect of legal claims pending against the Company and its investees based on, inter alia, the opinion of its legal counsel. For further information on the Company's exposure to claims see Note 28 regarding contingent liabilities.

**Notes to the Consolidated Financial Statements**

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**Note 2 - Basis of Preparation of the Financial Statements (cont'd)****D. Use of estimates and judgments (cont'd)**Determining fair value

For purposes of preparing the financial statements, the Company must determine the fair value of certain assets and liabilities. Additional information pertaining to the determination of the fair value is included in Note 26 – Financial Instruments.

In determining the fair value of an asset or liability, the Group uses observed market data whenever possible. The measurement of fair value is divided into three levels in the fair value hierarchy, based on data used in the valuation, as follows:

- Level 1: quoted (unadjusted) data on an active market for identical instruments.
- Level 2: directly or indirectly observed, not included in Level 1.
- Level 3: data not based on observed market data.

**E. Operating cycle**

The ordinary operating cycle of the Company is one year. Current assets and current liabilities are items that are designated and expected to be realized within the Company's ordinary operating cycle. The operating cycles of the Barkan segment is mostly one to two years. As a result, current assets and current liabilities also include items the realization of which is intended and anticipated to take place within the operating cycle of these operations of up to two years.

**F. New Standards and Interpretations Not Yet Adopted****International Financial Reporting Standard IFRS 18 - Presentation and Disclosure in Financial Statements**

This standard replaces International Accounting Standard IAS 1, Presentation of Financial Statements, and aims to provide improved structure and content to financial statements, particularly the income statement. As part of the new disclosure requirements, companies will be required to present two subtotals in the income statement: Operating Income and Income Before Financing and Tax. For most companies, the income statement results will be classified into three groups: Operating Income, Investment Income, and Financing Income.

In addition to changes in the structure of the income statement, the standard also requires separate disclosure in financial statements regarding the use of performance indices defined by management (so-called "Non-GAAP Indices").

Furthermore, the amendment includes specific guidance on the grouping and splitting of items in financial statements and notes. The standard encourages companies to avoid classifying items as "other" (e.g., other expenses), and such classification will trigger additional disclosure requirements.

The standard's initial application date is for annual periods beginning on January 1, 2027 and early adoption is permissible. According to the decision of the Securities Authority, reporting corporations are permitted to adopt the standard early, starting from reporting periods beginning on January 1, 2025.

The Company is currently assessing the implications of the amendment on its financial statements and has no intention of early adoption.

## Notes to the Consolidated Financial Statements

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### Note 3 - Significant Accounting Policies

The significant accounting policies set out below have been applied consistently for all periods presented in these consolidated financial statements, and have been applied consistently by Group entities. In this note, in all places in which the Group elected accounting alternatives permitted by accounting standards and/or elected accounting policy regarding an issue for which there is no explicit provision in accounting standards, disclosure is set out in **bold** type. The bold type does not indicate that such accounting policy is more important than the non-bolded accounting policies.

#### A. Basis of consolidation

##### (1) Business combinations

The Group implements the acquisition method to all business combinations. The acquisition date is the date on which the acquirer obtains control over the acquiree. Control exists when the Group is exposed, or has rights, to variable returns from its involvement with the acquiree and it has the ability to affect those returns through its power over the acquiree. Substantive rights held by the Group and others are taken into account when assessing control.

The Group recognizes goodwill as of the date of acquisition on the basis of the fair value of the consideration that was transferred and the fair value as of the date of acquisition of an equity right in the acquiree that was previously held by the Group, less the net amount that was allocated upon acquisition to identifiable assets that were acquired and to liabilities that were assumed. In a business combination that was achieved in stages, **the difference between the fair value as of the date of acquisition of the equity rights in the acquiree that were previously held by the Group and the carrying value as of the same date is carried to profit and loss as part of the item entitled "revenues" or "other expenses"**.

##### (2) Subsidiaries

Subsidiaries are entities controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date on which control is lost.

##### (3) Non-controlling interests

*Transactions with non-controlling interests, while retaining control*

Transactions with non-controlling interests while retaining control are accounted for as equity transactions. **Any difference between the consideration paid and the change in non-controlling interests is included in the owners' share in equity of the Company directly in retained earnings.**

##### (4) Put option for non-controlling interest holders

Put options that are granted to the non-controlling interest holders in the Group's subsidiaries, in such a way that the holders of these rights can obligate the Group to purchase their shares in cash, are treated and presented in the Group's consolidated financial statements as a financial liability to those shareholders at the present value of the expected redemption amount at the time of exercising the options. In respect of these engagements, in which the put options will be settled in cash, the Company implements the anticipated acquisition method, as if the put option has been exercised and the consideration for its exercise has not yet been paid.

For the purpose of measuring the liabilities in respect of the aforementioned put options, the Company estimates at the end of each reporting period the present value (according to the original effective interest rate determined at the time of the business combination) of the expected redemption amount based on the formula for determining the additional exercise price of the option under the agreement, which is based on the future financial performance of the subsidiaries (EBITDA, etc.). The effects of exchange rates on liabilities are recognized in other comprehensive income and are presented in equity as part of a hedging reserve.

**Notes to the Consolidated Financial Statements**

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**Note 3 - Significant Accounting Policies (cont'd)****B. Investment in associate companies and joint ventures**

Associated companies are those entities in which the Group has significant influence over financial and operating policies, but have not achieved control or joint control. There is a rebuttable presumption that significant influence exists when the Group holds between 20% and 50% of another entity. In assessing significant influence, potential voting rights that are currently exercisable or convertible into shares of the investee are taken into account.

Joint ventures are joint arrangements in which the Group has rights to the net assets of the arrangement.

The investments in associates and joint ventures are accounted for using the equity method (equity accounted investees) and are recognized initially at cost. The cost of the investment includes transaction costs. The consolidated financial statements include the Group's share of the income and expenses in profit or loss and of other comprehensive income of equity accounted investees.

**C. Foreign currency****Foreign operations**

The Group has foreign operations consisting of the sale, marketing and distribution of beverages in Cyprus and Georgia, the functional currency of which is the Euro and the Georgian Lari, respectively. The assets and liabilities of the foreign operations were translated into shekels on the basis of the exchange rates that were in effect as of the reporting date. Expenses and revenues of the foreign operations were translated into shekels on the basis of the exchange rates that were in effect as of the date of the transactions.

The exchange rate differentials in respect of the translation are recognized in other comprehensive income and are presented in equity under the item entitled "Foreign currency translation differences in respect of foreign operations (hereinafter – "Translation Reserve").

The Company placed at the disposal of the foreign operations in Cyprus a Euro-denominated loan, the settlement of which is not planned and is not expected in the foreseeable future. Gains and losses on translation differentials that derive from this loan are included as part of the investment in the foreign operations, net, are recognized in other comprehensive income and are presented in equity as part of the translation reserve.

**D. Financial instruments****(1) Non-derivative financial assets*****Initial recognition of financial assets***

The principle financial assets of the Group are: cash and cash equivalents, trade accounts receivable, accounts receivable and loans. The financial assets are initially recognized on the date on which the Company becomes a party to their contractual terms.

***Loans and receivables***

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted on an active market. Such assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortized cost, less any impairment losses.

## Notes to the Consolidated Financial Statements

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### Note 3 – Significant Accounting Policies (cont'd)

#### D. Financial instruments (cont'd)

##### (1) Non-derivative financial assets (cont'd)

###### **Financial assets impaired by credit risk**

At each reporting date, the Company assesses whether financial assets are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following events:

- Significant financial difficulty of the issuer or borrower;
- A breach of contract such as a default or payments being past due;

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate.

##### (2) Derivative financial instruments

###### *Hedges*

Derivatives are recognized initially at fair value. Attributable transaction costs are carried to profit and loss when incurred. **Changes in the fair value of derivatives are recognized immediately in profit or loss under financing income or expenses.**

##### (3) Non-derivative financial liabilities

The principal financial liabilities of the Group are: loans from banks, trade accounts payable and accounts payable. Financial liabilities are initially recognized on the date on which the Company becomes a party to their contractual terms.

Financial liabilities are recognized initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortized cost using the effective interest method.

#### E. Fixed assets

##### (1) Recognition and measurement

###### **Fixed asset items are measured at cost less accumulated depreciation and cumulative impairment losses**

Cost includes expenditures that are directly attributable to the acquisition of the asset and any cost that is directly attributable to bringing the asset to the location and working condition that enable it to operate in accordance with the intentions of Management.

When major parts of a fixed asset item (including costs of major periodic inspections) have different useful lives, they are accounted for as separate items (major components) of fixed assets.

Gains and losses on disposal of a fixed asset item are determined by comparing the proceeds from disposal with the carrying amount of the asset, and are recognized net within "other income" or "other expenses", as relevant, in profit or loss.

## Notes to the Consolidated Financial Statements

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### Note 3 - Significant Accounting Policies (cont'd)

#### E. Fixed assets (cont'd)

##### (2) Depreciation

Depreciation is a systematic allocation of the depreciable amount of an asset over its useful life. The depreciable amount is the cost of the asset, or other amount substituted for cost, less its residual value.

An asset is depreciated from the date it is ready for use, meaning the date it reaches the location and condition required for it to operate in the manner intended by management.

Depreciation is recognized in profit or loss on a straight-line basis over the estimated useful lives of each part of the fixed asset item. Leased assets under finance lease agreements are depreciated over the shorter of the lease term and their useful lives, unless it is reasonably expected that the Group will obtain ownership of the asset at the end of the leasing period.

The estimated useful lives for the current and comparative periods are as follows:

	<u>Years</u>
• Land under financial lease and buildings	20 – 50
• Machinery and equipment	10
• Office furniture and equipment	3 – 10
• Motor vehicles and Boats	5 – 17
• Computers	3 – 4
• Selling equipment	3 – 5
• Returnable packaging	2 – 10
• Vineyards	4 – 10

#### F. Intangible assets

Intangible assets, including in respect of import rights, brand names, distribution rights and customer relations, acquired by the Group and having finite useful lives, are measured at cost, less amortization.

Goodwill generated as a result of the acquisition of subsidiaries is presented as part of intangible assets. For additional information on the measurement of goodwill upon initial recognition, see section A(1) above.

In succeeding periods, goodwill is measured at cost, less accrued impairment losses.

##### Amortization

Amortization is a systematic allocation of the amortizable amount of an intangible asset over its useful life. The amortizable amount is the cost of the asset.

Amortization is recognized in profit or loss on a straight-line basis, over the estimated useful lives of the intangible assets from the date they are available for use. Goodwill is not systematically amortized, rather it is checked at least once a year for impairment.

The estimated useful lives are as follows:

	<u>Years</u>
• Software	3 – 5
• Distribution rights	5 – 15
• Import agreements	17 - 19

The Group examines at least at the end of each year the estimates regarding the amortization method and the useful lives. When necessary, adjustments are made to these estimates.

**Notes to the Consolidated Financial Statements**

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**Note 3 - Significant Accounting Policies (cont'd)****G. Inventories**

Inventories are measured at the lower of cost and net realizable value. **The cost of raw material inventories is based on the “moving average” method**, and includes expenditure incurred in acquiring the inventories and the costs incurred in bringing them to their existing location and condition.

In the case of work in progress and finished goods, cost includes an appropriate share of production overheads based on normal operating capacity. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

**H. Impairment****(1) Non-financial assets****The timing of impairment testing**

The carrying amounts of the Company’s fixed assets and intangible assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset’s recoverable amount is estimated.

Once a year and on the same date, or more frequently if there are indications of impairment, the Group estimates the recoverable amount of each cash generating unit that contains goodwill.

**Measuring a recoverable amount**

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the assessments of market participants regarding the time value of money and the risks specific to the asset or cash-generating unit.

**Recognition of an impairment loss**

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss.

**(2) Investments in associates and joint ventures**

An investment in an associate or joint venture is tested for impairment when objective evidence indicates there has been impairment.

An impairment loss is recognized when the carrying amount of the investment, after applying the equity method, exceeds its recoverable amount. An impairment loss is not allocated to any asset, including goodwill that forms part of the carrying amount of the investment in the associate or in the joint venture.

An impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount of the investment after the impairment loss was recognized, and only to the extent that the investment’s carrying amount, after the reversal of the impairment loss, does not exceed the carrying amount of the investment that would have been determined by the equity method if no impairment loss had been recognized.

**Notes to the Consolidated Financial Statements**

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**Note 3 - Significant Accounting Policies (cont'd)****I. Provisions**

A provision in respect of an accrued expense is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

**J. Revenue**

The Company operates in four operating segments, as set out in Note 31 and it recognizes revenue when the customer obtains control over the promised goods or services. The revenue is measured according to the amount of the consideration to which the Company expects to be entitled in exchange for the transfer of goods or services promised to the customer, other than amounts collected for third parties.

**Determining the price of the transaction**

The transaction price is the amount of the consideration to which the Company expects to be entitled in exchange for the goods transferred to the customer. When determining the transaction price, the Company takes into account the effects in respect of amounts that may vary as a result of discounts, returns, credits, waivers of price, incentives and bonuses.

**K. Financing income and expenses**

In the statements of cash flows, dividends received are presented as part of cash flows from investing activities. Interest paid and dividends paid are presented as part of cash flows from financing activities.

**L. Income tax expenses**

Income tax expenses include current and deferred tax. Income tax expenses are recognized in profit or loss or in other comprehensive income in the event that they derive from items that are carried to other comprehensive income.

**Current taxes**

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date. Current taxes also include changes in tax payments related to prior years.

**Deferred taxes**

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences:

- The initial recognition of goodwill,
- Differences relating to investments in subsidiaries, joint arrangements and associates, to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future, either by way of selling the investment or by way of distributing dividends in respect of the investment.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred taxes are measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognized in the accounting records in respect of carried forward losses, tax benefits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

## Notes to the Consolidated Financial Statements

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### Note 3 - Significant Accounting Policies (cont'd)

#### M. Leases

##### (1) Determining whether an arrangement contains a lease

On the inception date of the lease, the Group determines whether the arrangement is a lease or contains a lease, while examining if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. In its assessment of whether an arrangement conveys the right to control the use of an identified asset, the Group assesses whether it has the following two rights throughout the lease term:

- (a) The right to obtain substantially all the economic benefits from use of the identified asset; and
- (b) The right to direct the identified asset's use.

##### (2) Leased assets and lease liabilities

Contracts that award the Group control over the use of a leased asset for a period of time in exchange for consideration, are accounted for as leases. Upon initial recognition, the Group recognizes a liability at the present value of the balance of future lease payments (these payments do not include certain variable lease payments), and concurrently recognizes a right-of-use asset at the same amount of the lease liability, adjusted for any prepaid or accrued lease payments, plus initial direct costs incurred in respect of the lease. Since the interest rate implicit in the Group's leases is not readily determinable, the incremental borrowing rate of the lessee is used.

Subsequent to initial recognition, the right-of-use asset is accounted for using the cost model, and depreciated over the shorter of the lease term or useful life of the asset.

The Group has elected to apply the practical expedient by which short-term leases of up to one year and/or leases in which the underlying asset has a low value, are accounted for such that lease payments are recognized in profit or loss on a straight-line basis, over the lease term, without recognizing an asset and/or liability in the statement of financial position.

##### (3) The lease term

The lease term is the non-cancellable period of the lease plus periods covered by an extension or termination option if it is reasonably certain that the lessee will or will not exercise the option, respectively.

##### (4) Variable lease payments

Variable lease payments that depend on an index or a rate, are initially measured using the index or rate existing at the commencement of the lease and are included in the measurement of the lease liability. When the cash flows of future lease payments change as the result of a change in an index or a rate, the balance of the liability is adjusted against the right-of-use asset.

##### (5) Depreciation of right-of-use asset

After lease commencement, a right-of-use asset is measured on a cost basis less accumulated depreciation and accumulated impairment losses and is adjusted for re-measurements of the lease liability. Depreciation is calculated on a straight-line basis over the useful life or contractual lease period, whichever earlier, as follows:

- Vineyards 9-22 years
- Buildings 2-16 years
- Motor vehicles 3-7 years

## Notes to the Consolidated Financial Statements

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### Note 4 – Trade accounts receivable

	December 31,	
	2025	2024
	NIS'000	NIS'000
Trade accounts receivable(*)	562,772	507,103
Less - Provision for expected credit losses	(25,710)	(20,632)
	<b>537,062</b>	<b>486,471</b>

(\*) See also Note 26A.

### Note 5 - Other receivables

	December 31,	
	2025	2024
	NIS'000	NIS'000
Employees	2,122	1,801
Institutions	3,601	3,575
Advances to suppliers	12,303	7,246
Prepaid expenses	13,336	13,375
Income receivable	17,633	23,331
Other receivables	3,491	5,192
Current maturities of long-term receivables	1,993	1,948
	<b>54,479</b>	<b>56,468</b>

### Note 6 - Inventories

	December 31,	
	2025	2024
	NIS'000	NIS'000
Raw and auxiliary materials	37,522	24,083
Packaging and other materials	101,339	83,769
Products in process	99,222	91,988
Finished and purchased goods	294,589	276,846
	<b>532,672</b>	<b>476,326</b>

## Notes to the Consolidated Financial Statements

### Note 7 – Long-term loans and receivables

	December 31,	
	2025	2024
	NIS'000	NIS'000
Long-term liabilities	46,100	48,463
Less - accumulated amortization	(40,220)	(43,658)
Amortized cost	5,880	4,805
Loans to others	20,411	15,935
Less - current maturities	(1,833)	(1,833)
Net balance	18,578	14,102
	<b>24,458</b>	<b>18,907</b>

### Note 8 - Investee Companies

#### A. Details pertaining to the directly and indirectly-held entities of the Group

	Incorporated and operates in	% of ownership and voting December 31, 2025	% of ownership and voting December 31, 2024
<b><u>Consolidated companies</u></b>			
Tempo Marketing (1981) Ltd. (hereinafter – “Tempo Marketing”)	Israel	100%	100%
Aqua Nova Waters Ltd.	Israel	100%	100%
Barkan Wineries Ltd.	Israel	100%	100%
Tempo Beverages Cyprus Ltd.	Cyprus	100%	100%
Tempo Food Ltd.	Israel	100%	100%
Adir R.Y. Trading Ltd.	Israel	See C below	100%
A. Seyman Trade Ltd.	Israel	100%	100%
Sumitz Holdings Ltd.	Israel	74.99%	74.99%
Durum Food Industries (2023) Ltd.	Israel	100%	100%
JSC Georgian Beer Company (See L below)	Georgia	60%	-
<b><u>Equity-accounted companies</u></b>			
Masterpiece Team Ltd.	Israel	50%	50%
Sparks Foodtech Food Technologies L.P.	Israel	25%	25%
Shapiro Brewery Ltd.	Israel	50.1%	50.1%
All Organic Ltd.	Israel	51%	51%

#### B. Barkan Wineries Ltd. (hereinafter – “Barkan Wineries”)

Barkan Wineries is a private company, engaged primarily in the production, import, and marketing of wines and alcoholic beverages.

Tempo Marketing purchases and exclusively distributes the products manufactured and imported by Barkan Wineries Group in the State of Israel and the Palestinian Authority, this during a period of five years, commencing from the date on which the purchase and distribution agreement of Barkan Wineries went into effect (January 2005). At the end of the engagement period, the agreement is automatically renewed for additional periods of five years each.

**Notes to the Consolidated Financial Statements**

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**Note 8 - Investee Companies (cont'd)****B. Barkan Wineries Ltd. (cont'd)**

To secure the liabilities of Barkan Wineries to three banks, the Company furnished guarantees to each of the aforementioned banks. The guarantees amounted to NIS 120 million, NIS 70 million and NIS 40 million. Should the liabilities of Barkan Wineries to each of the banks fall below NIS 40 million, NIS 35 million and NIS 20 million, respectively, the Company has the right to cancel the guarantees. As of December 31, 2025, the liabilities of Barkan Wineries to these banks amounted to NIS 65 million.

Barkan Wineries undertook toward some of the banks that finance it that the Company would remain a controlling shareholder in Barkan Wineries.

**C. Adir R.Y. Trade Ltd. (hereinafter – “Adir”)**

In 2017 and 2016, the Company purchased 50% of the shares of Adir. Adir is a company engaged in, *inter alia*, the import and marketing of soft drinks.

The Company and Adir signed a distribution agreement whereby the Company will serve as the sole distributor of Adir's products (hereinafter – the “Products”) in Israel and in the Palestinian Authority. In addition, the Company will render additional logistical services dealing with the distribution of the products.

On February 14, 2023, an agreement was signed between the Company and the other shareholders in Adir, whereby the Company purchased the shares of Adir held by the other shareholders (50%) for an amount of NIS 50 million and an additional consideration that was paid in 2024 and 2025, on the basis of the profits of Adir in the years 2023 and 2024, respectively, in an amount of NIS 12.8 million. As part of the agreement and as part of the consideration in shares, the selling shareholders agreed to waive claims against the Company.

On June 1, 2023, the acquisition transaction was completed and commencing from that date, the Company holds 100% of the shares of Adir.

As part of the acquisition, the Company generated a gain of NIS 29,300 thousand, representing the profit deriving from the measurement to fair value of the shares held by the Company immediately prior to attaining control. This profit was recognized in the statement of income under the item entitled “Other Income”.

On the basis of the opinion of its consultants, the Company allocated out of the amount of the consideration of the acquisition, an amount of NIS 17,500 thousand, to settle the exposure in respect of the results of possible claims against the Company and its shareholders. The Company recognized this amount in its statement of income under the item entitled “Other Expenses”.

In November 2025, the income tax authorities approved a request for a merger between Adir and Tempo Marketing such that Tempo Marketing would absorb all of the operations of Adir, commencing from December 31, 2025.

**D. Tempo Beverages Cyprus Ltd.**

During March 2017, the Company inaugurated its activity in Cyprus, including marketing, sales and distribution of beverage products, including products sold by it in Israel. The activity is conducted through Tempo Beverages Cyprus Ltd., a wholly-owned subsidiary of the Company, which was incorporated under the laws of Cyprus (hereinafter – “Temp Cyprus”). Among other products, Tempo Cyprus sells and markets beers produced by Heineken and a variety of alcohol products under the Pernod Ricard label.

The Company is a guarantor for the loans issued to Tempo Cyprus and to its investee company by a bank. The amount of the loans which are guaranteed by the Company as of December 31, 2025 is NIS 13 million.

## Notes to the Consolidated Financial Statements

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### Note 8 - Investee Companies (cont'd)

#### E. Masterpiece Team Ltd. (hereinafter – “Masterpiece”)

The Company owns and controls 50% of Masterpiece. Masterpiece entered into a franchise agreement with the owner of the Van Gogh brand for the sale and distribution of flavored vodka products under the brand name 'Van Gogh' in the territories of the State of Israel and the Palestinian Authority (hereinafter: the "Territory"), valid until December 31, 2029.

The Franchise Agreement set out minimum purchase targets of products from the brand holder, and if Masterpiece does not meet such targets, the brand holder has the right, within the restrictions set out in the Franchise Agreement, to cancel the agreement. In addition, the franchise agreement sets the prices and the payment terms of the products, as well as causes for the cancellation of the agreement. In accordance with the terms set out in the agreement among the shareholders of Masterpiece, decisions regarding certain activities will be made solely with the consent of all of the shareholders. Therefore, the investment constitutes a joint arrangement. The joint arrangement is treated as a joint venture, accounted for under the equity method.

The Company signed a distribution agreement with Masterpiece, whereby the Company holds the sole rights to perform the sales and distribution activity of the products in the territory (hereinafter – the “Distribution Agreement”). The Distribution Agreement contains provisions regarding to, among other things, restrictions on the sale of products that compete with the "Products", minimum quantities in respect of which, if the Company does not meet, Masterpiece will have cause to cancel the Distribution Agreement, the distribution commission, marketing, sales promotion and running the operation dealing with the products.

The Company is a guarantor for the liabilities of Masterpiece to the bank that finances its activity, on the basis of the relevant portion of the Company in the shares of Masterpiece. As of December 31, 2025, the amount of the Masterpiece liabilities for which the Company is a guarantor toward the bank is NIS 0.4 million.

#### F. Sumitz Holdings Ltd. (hereinafter – “Sumitz”)

On September 25, 2019, an agreement went into effect (hereinafter – the “agreement”) whereby the Company and Adir hold 60% of the share capital of Sumitz Ltd.

Sumitz is the holder of the franchise usage rights to import “Zumex” juice squeezing machines until December 31, 2027 and, in addition, it sells, distributes and markets vegetables and fruit in cold storage for use in preparing juice.

On January 13, 2024, the Company acquired from the other shareholder in Sumitz Ltd. an additional 14.99% of the shares of Sumitz.

The Company guaranteed the liabilities of Sumitz toward the bank that finances its operations, in accordance with the relative holding of the Company in the shares of Sumitz. The amount of the Sumitz liabilities which are directly and indirectly guaranteed by the Company as of December 31, 2025 is NIS 3.2 million.

#### G. Sparks Foodtech Food Technologies Limited Partnership (hereinafter – “Sparks Foodtech”)

On June 11, 2019, the Innovation Authority decided that a consortium of investors, including the Company, the Tnuva Food Enterprise and the **OurCrowd and Finestere** Investment Funds (all in equal shares) won a tender to set up and operate a technology incubator in the field of foods (foodtech) (hereinafter – the “Incubator”) previously issued by the Innovation Authority. In September 2025, the “Siddhi” investment fund acquired the holdings of Finistere in the Incubator.

**Notes to the Consolidated Financial Statements**

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**Note 8 - Investee Companies (cont'd)****G. Sparks Foodtech Food Technologies Limited Partnership (cont'd)**

Pursuant to the terms of the tender, Sparks Foodtech was established in the Safed regional district for a period of eight years commencing on December 1, 2019, which was extended until June 30, 2029. Sparks Foodtech engages in locating promoters and startup companies in the foodtech industry, with an initial investment together with the Innovation Authority. In addition, Sparks Foodtech also engages in accompaniment and assistance to the portfolio companies in the initial life cycle stages of those companies. According to the business plan of the incubator, Sparks Foodtech invests in projects over the period of its operations, and according to the investment model, the State of Israel invests in those companies 85% of the amount of the investment, with Sparks investing the balance of the amount of the investment (15%).

Sparks Foodtech has the option of purchasing the share of the State of Israel in each portfolio company, in return for payment of the amount the State of Israel invested, plus interest, subject to the fulfillment of a number of various conditions.

**H. Shapiro Brewery Ltd. (hereinafter – “Shapiro”)**

On June 23, 2021, The Company acquired 50.1% of the shares of Shapiro. Shapiro is engaged in the production and marketing of Kraft Beer under the “Shapiro” brand name. Concurrently, a distribution agreement was signed between the Company and Shapiro, whereby the Company will serve as the sole distributor of Shapiro products to retail customers in Israel, in return for the payment of a distribution commission for a period of ten years.

In accordance with the terms set out in the agreement, decisions regarding certain activities will be made solely with the consent of all of the shareholders. Therefore, the investment constitutes a joint arrangement. The joint arrangement is treated as a joint venture, accounted for under the equity method.

**I. A. Seyman Trade Ltd. (hereinafter – “Seyman”)**

On November 9, 2021, Tempo Food Ltd. (a wholly-owned subsidiary of the Company) (hereinafter – “Tempo Food”) signed an agreement to acquire 24% of the shares of Seyman, a company engaged in the import, marketing and sale of quality food products, including cheeses, butters and additional milk products, spreads, fruit delicacies and delicatessen products.

As part of the aforementioned acquisition agreement, Tempo Food was awarded options to purchase additional shares of Seyman, up to a holding of 100% of the shares of Seyman. On March 31, 2022, Tempo Food exercised the first option granted to it and purchased an additional 16% of the Seyman shares, thereby increasing its percentage in Seyman to 40%.

On June 27, 2023, an agreement was signed between the Company and the other shareholders in Seyman, whereby the Company acquired the balance of the shares held by them (60%), thereby granting the Group all of the shares of Seyman. In consideration of the acquisition, the Company paid NIS 24.2 million. Part of the consideration of the acquisition was paid by the Company in 2024 and 2025.

The Company is a guarantor for the liabilities of Seyman toward the bank that finances its activity. The amount of the liabilities of Seyman to which the Company is a guarantor as of December 31, 2025 is NIS 80 million. The Company undertook to provide Seyman with the financial resources it needs to continue its ongoing operations until January 1, 2028.

**Notes to the Consolidated Financial Statements**

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**Note 8 - Investee Companies (cont'd)****J. The All Organic Group**

On May 23, 2023, an agreement was signed between the Group and HaSadeh Organic Products Ltd., All Organic Ltd., Vega Vegan Products Ltd. and Ecogreen Green Road Ltd. (hereinafter: collectively: "All Organic"), which are companies active in the production, sale, export, marketing and distribution of organic, vegan and low-carb products, and between the shareholders of the All Organic Group. The agreement was to acquire 51% of the issued and outstanding share capital of the All Organic Group (hereinafter: the "Purchase Agreement"), in return for a payment of NIS 40 million. The purchase agreement set forth a price adjustment mechanism that will be carried out at the end of 2028, based on the EBITDA presented by the All Organic Group. The parties were given mutual options to purchase/sell the remaining share capital of the All Organic Group. The purchase agreement was subject to the fulfillment of a number of preconditions which included, *inter alia*, the merger of the abovementioned companies, which were fulfilled on July 4, 2024, thereby consummating the transaction.

Pursuant to the terms set out in the agreement, decisions pertaining to certain activities were to be passed only with the consent of all of the shareholders. Therefore, the investment constitutes a joint arrangement which is treated as a joint venture in accordance with the equity method of accounting.

In addition, a distribution agreement was signed between the Group and the All Organic Group, whereby the Group will provide the All Organic Group with storage, picking and distribution services in accordance with the terms set forth in the distribution agreement.

In addition, a shareholders' agreement was signed between the parties, including provisions regarding the management of the All Organic Group, transfer of shares and areas of activity, as is customary in such transactions.

The Group is a guarantor for the liabilities of the All Organic Group toward the bank that finances its operations. As of December 31, 2025, the amount of the All Organic Group liabilities for which the Company is a guarantor is NIS 0.5 million.

**K. Durum Food Industries (2023) Ltd. (hereinafter – "Durum")**

On May 23, 2023, an agreement was signed between the Group and Durum Food and Pasta Industries Ltd., which manufactures, markets and sells pasta products under the "Pasta Nona" brand name, whereby the Group acquired on June 30, 2023 (hereinafter: the "Closing Date") through Durum – a wholly owned subsidiary established for this purpose, the pasta operations for NIS 9.5 million. In addition, the inventory was purchased as it was at the closing date.

On May 21, 2024, Durum entered into an agreement to acquire the entire operations of Zucca Ltd. and Zucca To Go Ltd. (hereinafter: the "Sellers"), including all the assets and equipment they own, the goodwill and the inventory in exchange for a non-material amount. The sellers are engaged in the production, marketing, sale and distribution of gourmet food products, especially pasta and pizza products, which are sold under the brand name "Zucca" mainly to on-trade market customers. On July 31, 2024, the transaction was consummated.

The Company is a guarantor of Durum's liabilities to the bank that finances its activities. As of December 31, 2024, the amount of Durum's liabilities to the bank guaranteed by the Company is approximately NIS 20 million.

## Notes to the Consolidated Financial Statements

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### Note 8 - Investee Companies (cont'd)

#### L. JSC Georgian Beer Company (hereinafter: "GBC")

On April 3, 2025, the Company signed an agreement with Daily LLC (the "Seller") to purchase the shares of the Georgian beverage company GBC. GBC is engaged in the manufacture, marketing, sale, and distribution of beers and soft drinks in Georgia.

The following are the major terms of the transaction:

1. The Company will acquire 60% of the issued and paid-up share capital of GBC (hereinafter: the "Acquired Shares"). The purchase price of the acquired shares, based on the value of the activity net of debt, is estimated at approximately US\$57 million, subject to the adjustments set out in the purchase agreement.
2. The parties also agreed on Call options to purchase and Put options to sell the outstanding holdings of the Seller in GBC at a price that will be based on the results of the future operations of GBC in the year preceding the date of the exercise notice. Customary provisions were also agreed upon regarding corporate governance, dividend distribution policy, the right of first refusal, the right to join, minority rights, and the powers of the various corporate organs.
3. In addition, the parties agreed that the parties would invest in a joint venture in Azerbaijan. The company undertook to act reasonably in order to obtain for the joint venture a franchise for the sale and distribution in Azerbaijan of the Heineken beer brand, and later also a concession for the production of Heineken beer by the joint venture. As of the date of approval of the financial statements, there is no certainty that the joint venture has indeed been actually executed, or that it has been executed in accordance with the agreements detailed above.

Following the transaction, GBC entered into an agreement with Heineken Beer Corporation for the production, marketing, sale and distribution of the Heineken beer brand in Georgia (see Note 29F. below).

On May 21, 2025, the transaction was completed and the acquired shares were registered in the Company's name. As a result of this acquisition, GBC's financial statements have been consolidated with the Company's financial statements.

The Company has not yet completed the determination of the fair value of the assets and liabilities that were added as part of the business combination, and they were determined temporarily .

At the time of the business combination, the Company implemented the Anticipated Acquisition method, with respect to the Put options granted to non-controlling interest holders. As a result, the Company recognized a financial liability to the non-controlling interest holders, in the amount of the capitalized projected exercise price, and did not present non-controlling interests as part of equity.

Net cash flow in purchases:

	<b>Thousands of NIS</b>
Total acquisition cost	201,600
Less - cash and cash equivalents acquired	(6,433)
	<u>195,167</u>

## Notes to the Consolidated Financial Statements

### Note 8 - Investee Companies (cont'd)

#### L. JSC Georgian Beer Company (hereinafter: "GBC") (cont'd)

The following is a list of the identified assets and liabilities that were acquired (according to temporary amounts), as detailed below:

	<b>Thousands of NIS</b>
Trade and other accounts receivables	126,971
Inventory	41,266
Fixed assets	120,797
Intangible assets	146,048
Goodwill	75,078
Short-term credit from banks	(183,380)
Trade and other accounts payable	(36,166)
Financial liability to minority interest	(95,447)
	<u>195,167</u>

#### M. Mei Eden Ltd.

On November 11, 2024, the Company entered into a conditional option agreement with third parties (hereinafter: the "Option Agreement"): Themis G.R.E.N. Ltd. and Mr. Avichai Stolero or a company under his control (collectively: the "Purchasers"), who submitted a bid a part of a tender for the purchase of 100% of the issued share capital of Mei Eden Ltd. and 100% of the issued share capital of Espresso Coffee – Italia Ltd., from Primo Water Corporation (the "Selling Corporation") (hereinafter: the "Acquired Shares" and the "Selling Corporation", respectively).

The purchasers won the tender, and on December 19, 2024, an agreement was signed between the Selling Corporation and the purchasers for the purchase of the acquired shares which is contingent upon the approval of the merger by the Antitrust Authority.

On July 23, 2025, the Antitrust Commissioner issued a decision in accordance with article 20(b) of the Economic Competition Law, 5748-1988, whereby she agrees to the merger between the merging companies, provided that the merging companies do not take any action that constitutes a merger, full or partial, as long as there is an option to purchase or sell the shares of Mei Eden Ltd., in whole or in part, to the Company (as well as any person connected to it, the Company's officers or any of the family members of the Company's officers, and any person acting on behalf of any of them), including the option agreement.

#### N. Investments measured at fair value

The investments at fair value derive mainly from the investments of the Company in Re-Milk, a company engaged in the development of cultured milk. During the course of 2021, Re-Milk conducted an additional recruitment in which the Company also participated and the said investment was revalued accordingly.

During 2022, a round of fundraising was conducted in Pigmentium, a company engaged in the production of taste and smelling material, and the Company revalued its investment accordingly

## Notes to the Consolidated Financial Statements

## Note 9 – Fixed assets

## A. Composition and changes

	Land and buildings	Machinery, equipment & instruments	Vineyards	Vehicles and boats	Office furniture, equipment & computers	Selling equipment	Returnable packaging	Total
	NIS'000							
<b>Cost:</b>								
Balance as of January 1, 2024	545,397	926,496	149,595	146,708	56,077	87,537	79,286	1,991,096
Additions	17,236	78,576	3,962	4,007	8,062	5,798	7,995	125,636
Additions to right-of-use assets	31,423	-	473	70,502	-	-	-	102,398
Additions as part of business combinations	90	-	-	-	61	-	-	151
Disposals	(6,971)	(6,272)	-	(50,384)	(10,213)	(16,949)	(12,471)	(103,260)
Impact of changes in exchange rate	(486)	-	-	(628)	(101)	(259)	(44)	(1,518)
Balance as of December 31, 2024	586,689	998,800	154,030	170,205	53,886	76,127	74,766	2,114,503
Additions	14,324	44,290	1,878	15,986	4,205	8,121	7,334	96,138
Additions to right-of-use assets	29,538	-	323	34,195	-	-	-	64,056
Additions as part of business combinations	72,043	133,505	-	7,295	2,526	45,524	7,551	268,444
Disposals	(14,130)	(9,384)	(11,672)	(35,693)	(1,356)	(33,515)	(724)	(106,474)
Impact of changes in exchange rate	(5,831)	(10,657)	-	(714)	(218)	(3,741)	(621)	(21,782)
Balance as of December 31, 2025	682,633	1,156,554	144,559	191,274	59,043	92,516	88,306	2,414,885

## Notes to the Consolidated Financial Statements

## Note 9 – Fixed assets (cont'd)

## A. Composition and changes (cont'd)

	Land and buildings	Machinery, equipment & instruments	Vineyards	Vehicles and boats	Office furniture, equipment & computers	Selling equipment	Returnable packaging	Total
	NIS'000							
<b>Depreciation</b>								
Balance as of January 1, 2024	235,272	630,143	50,531	77,105	35,860	75,128	59,477	1,163,516
Depreciation for the year	18,011	47,315	4,531	3,042	6,416	5,730	11,198	96,243
Depreciation in respect of right-of-use assets	13,063	-	2,785	31,848	-	-	-	47,696
Additions as part of business combinations	3	-	-	-	7	-	-	10
Disposals	(4,189)	(5,410)	-	(44,726)	(9,510)	(15,131)	(12,468)	(91,434)
Impact of changes in exchange rate	(40)	-	-	(216)	(67)	(220)	(26)	(569)
Balance as of December 31, 2024	262,120	672,048	57,847	67,053	32,706	65,507	58,181	1,215,462
Depreciation for the year	19,823	54,134	4,801	6,724	6,564	7,659	10,871	110,576
Depreciation in respect of right-of-use assets	14,489	-	2,826	35,572	-	-	-	52,887
Additions as part of business combinations	12,813	91,184	-	527	2,071	35,945	5,107	147,647
Disposals	(11,393)	(4,600)	(6,156)	(31,932)	(1,354)	(32,537)	(724)	(88,696)
Impact of changes in exchange rate	(1,044)	(7,365)	-	(100)	(178)	(2,960)	(419)	(12,066)
Balance as of December 31, 2025	296,808	805,401	59,318	77,844	39,809	73,614	73,016	1,425,810
<b>Carrying value-depreciated cost</b>								
As of January 1, 2024	310,125	296,353	99,064	69,603	20,217	12,409	19,809	827,580
Payments on account of fixed assets								9,362
								836,942
As of December 31, 2024	324,569	326,752	96,183	103,152	21,180	10,620	16,585	899,041
Payment on account of fixed assets								556
								899,597
As of December 31, 2025	385,825	351,153	85,241	113,430	19,234	18,902	15,290	989,075
Payment on account of fixed assets								2,166
								991,241

## Notes to the Consolidated Financial Statements

### Note 9 – Fixed assets (cont'd)

B. The group has assets that were fully depreciated but are still in use. The original cost of these assets as of December 31, 2025 amounted to NIS 623 million (December 31, 2024 amounted to NIS 631 million).

C. Leases

The Company's property is leased under a capital lease from the Israel Lands Authority for leasing periods ending in 2048 and 2056.

D. For information pertaining to pledges, see Note 28(C).

### Note 10 – Intangible assets

	<b>Import agreements, distribution rights, goodwill and others</b>	<b>Software</b>	<b>Total</b>
	<b>NIS'000</b>	<b>NIS'000</b>	<b>NIS'000</b>
<b>Cost</b>			
Balance as at January 1, 2024	185,153	48,471	233,624
Impact of changes in the exchange rate	(48)	-	(48)
Acquisitions	4,640	2,473	7,113
Balance as of December 31, 2024	189,745	50,944	240,689
Acquisition as part of business combinations (including goodwill)	<b>221,126</b>	-	<b>221,126</b>
Impact of changes in the exchange rate	<b>(18,992)</b>	-	<b>(18,992)</b>
Acquisitions	<b>1,000</b>	<b>2,615</b>	<b>3,615</b>
Disposals	-	<b>(8,616)</b>	<b>(8,616)</b>
Balance as of December 31, 2025	<b>392,879</b>	<b>44,943</b>	<b>437,822</b>
<b>Amortization</b>			
Balance as at January 1, 2024	75,771	42,602	118,373
Amortization for the year	7,832	2,447	10,279
Balance as of December 31, 2024	83,603	45,049	128,652
Disposals	-	<b>(8,616)</b>	<b>(8,616)</b>
Amortization for the year	<b>17,493</b>	<b>2,628</b>	<b>20,121</b>
Balance as of December 31, 2025	<b>101,096</b>	<b>39,061</b>	<b>140,157</b>
<b>Carrying value</b>			
As of January 1, 2024	109,382	5,869	115,251
As of December 31, 2024	106,142	5,895	112,037
<b>As of December 31, 2025</b>	<b>291,783</b>	<b>5,882</b>	<b>297,665</b>

## Notes to the Consolidated Financial Statements

### Note 11 – Short-term bank and other credit

This note provides information pertaining to the contractual terms of the Group's interest-bearing loans and credit, measured at amortized cost. Additional information regarding the exposure of the Group to interest, currency and liquidity risks is provided in Note 26, Financial Instruments.

#### Current liabilities

	<u>Interest rates</u>	<u>December 31,</u>	
	<u>December</u>	<u>2025</u>	<u>2024</u>
	<u>%</u>	<u>NIS'000</u>	<u>NIS'000</u>
Short-term loans from banks	(*) 4.95	388,103	322,229
Marketable securities (**)		100,000	50,000
Current maturities of long-term loans		<u>12,073</u>	<u>12,989</u>
Total current liabilities		<u><b>500,176</b></u>	<u><b>385,218</b></u>

(\*) Loans bearing variable average annual interest at the prime rate less 0.80%.

(\*\*) On June 13, 2024, the Company issued non-negotiable commercial securities (hereinafter: "NNCS") (Series 1) to an institutional entity. The NNCS (Series 1) were issued in lieu of short-term credit given to the Company by banks. The NNCS (Series 1) bear a variable annual interest rate at the Bank of Israel interest rate plus 0.3%. The NNCS (Series 1) were issued for one year, and they can be extended for four equal periods of one year each.

On June 9, 2025, the period of the NNCS (Series 1) was extended by an additional year, until June 10, 2026, with no change in the terms, except for a reduction in the margin from the Bank of Israel interest rate as agreed to between the parties.

On June 18, 2025, the Company issued an additional series of non-tradable NNCS (Series 2) to an additional institutional body. The NNCS (Series 2) is not linked and carries a variable annual interest rate, at the Bank of Israel interest rate plus a margin as agreed to between the parties. The NNCS (Series 2) was issued for one year, and it can be extended for four equal periods of one year each.

### Note 12 – Trade accounts payable

	<u>December 31,</u>	
	<u>2025</u>	<u>2024</u>
	<u>NIS'000</u>	<u>NIS'000</u>
Open debts	<u><b>420,697</b></u>	<u><b>371,689</b></u>

For additional information pertaining to suppliers who are related and interested parties, see Note 29, Related and Interested Parties. For information regarding the exposure of the Group to currency and liquidity risks in respect of suppliers, see Note 26, Financial Instruments.

## Notes to the Consolidated Financial Statements

### Note 13 – Other payables

	December 31,	
	2025	2024
	NIS'000	NIS'000
Liabilities to employees and other liabilities in respect of payroll (*)	58,545	53,041
Government institutions	24,997	18,054
Advances from customers	3,803	1,769
Packaging deposits	10,081	9,833
Liabilities to related and interested parties	10,548	8,988
Amounts payable to former shareholders in respect of business combinations (**)	-	18,935
Other payables and accrued expenses	40,778	32,630
Income received in advance	7,133	4,048
Current maturities of other long-term liabilities	140	140
	<u>156,025</u>	<u>147,438</u>

(\*) Including a provision for vacation and convalescence pay.

(\*\*) See Note 8

For additional information pertaining to payables who are related and interested parties, see Note 29, Related and Interested Parties. For information regarding the exposure of the Group to currency and liquidity risks in respect of suppliers, see Note 26, Financial Instruments.

### Note 14 – Long-term liabilities to banking institutions and others

#### A. Composition

	December 31,	
	2025	2024
	NIS'000	NIS'000
Long-term loans from banks	84,301	20,738
Put options to non-controlling interest holders	101,966	-
Other long-term liabilities	3,124	2,939
	<u>189,121</u>	<u>23,677</u>
Less – current maturities	<u>(12,213)</u>	<u>(13,129)</u>
	<u>176,908</u>	<u>10,548</u>

B. On February 25 and 26, 2018, the Company was furnished with loans from two banking institutions in a total amount of NIS 100 million. The loans were repaid in February 2026.

C. GBC was furnished loans by the Georgian bank that finances its activities, the balance of which as of December 31, 2025, amounted to NIS 82 million. In respect of these loans, GBC undertook to meet various financial covenants. As of December 31, 2025, GBC was in compliance with all of the above financial covenants.

**Notes to the Consolidated Financial Statements****Note 14 – Long-term liabilities to banking institutions and others (Cont'd)****C. (cont'd)**

The following are the financial covenants to which GBC has committed itself:

<u>Financial Metrics</u>	<u>The results of calculation (as of December 31, 2025)</u>
Ratio of debt to the EBITDA shall not exceed 3.75	2.33
Debt coverage ratio, calculated on a profit and loss basis, shall not be less than 1.1	1.58
Debt coverage ratio, calculated on the basis of cash flow, shall not be less than 1	1.13

**Note 15 – Debentures****A. Composition**

	<u>December 31,</u>	
	<u>2025</u>	<u>2024</u>
	<u>NIS'000</u>	<u>NIS'000</u>
Debentures (including interest payable)	<b>88,917</b>	111,025
Less current maturities (including interest payable)	<b>(22,571)</b>	(22,659)
	<b><u>66,346</u></b>	<u>88,366</u>

**B. Debentures – Series C**

On January 23, 2020, the Company issued Debentures Series C in an amount of NIS 150 million (NIS 149 million net of issuance costs).

On May 17, 2020, the series C debentures were expanded in an amount of NIS 50 million (NIS 49 million net of issuance costs).

The debentures are unlinked and bear fixed annual interest at a rate of 1.58% (hereinafter – the “Base Interest”). The interest in respect of the debentures is paid semi-annually, on March 31 and September 30 of each of the years until 2029.

The balance of the debentures will be repaid in four equal payments, to be paid on March 31 of each of the years from 2026 until 2029.

The debentures are rated by Midroog Ltd. as A1 stable.

The trust deed set out among other things the following provisions:

**Restrictions regarding the distribution of a dividend:**

- In the event that the shareholders' equity after the distribution amounts to at least NIS 725 million, the Company has the right to make a distribution at a rate of the higher of up to 75% of the annual net income of the Company (consolidated) in the same year, or up to 75% of the distributable income, pursuant to the Companies Act, which derived commencing from the Company's financial statements as at September 30, 2019 (inclusive) and on the basis of which the Company did not make a distribution.

## Notes to the Consolidated Financial Statements

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### Note 15 – Debentures (cont'd)

#### B. Debentures – Series C (cont'd)

##### Restrictions regarding the distribution of a dividend (cont'd)

- In the event that the shareholders' equity after the distribution amounts to at least NIS 300 million, the Company has the right to make a distribution at a rate of the higher of up to 50% of the annual net income of the Company (consolidated) in the same year, or up to 50% of the distributable income, pursuant to the Companies Act, which derived commencing from the Company's financial statements as at September 30, 2019 (inclusive) and on the basis of which the Company did not make a distribution.
- In the event that the shareholders' equity after the distribution amounts to less than NIS 300 million, the Company has the right to make a distribution at a rate of the higher of up to 30% of the annual net income of the Company (consolidated) in the same year, or up to 30% of the distributable income, pursuant to the Companies Act, which derived commencing from the Company's financial statements as at September 30, 2019 (inclusive) and on the basis of which the Company did not make a distribution.
- The Company is prohibited from making a distribution in the event that the shareholders' equity after the distribution amounts to less than NIS 255 million.
- At the date of the declaration of the distribution, the Company is not in a material breach of the provisions of the trust deed.
- The Company is prohibited from making a distribution if the Company is not compliance of the financial covenants that require it to pay additional interest.
- The Company is prohibited from making a distribution of evaluation profits generated commencing from the date of the initial issuance of the debentures.
- The Company is prohibited from making a distribution shareholders in the event that any of the warning signs exist in respect of the Company (as the term is defined in the Securities Regulations (Periodic and Immediate Reports) – 1970).

##### Financial covenants and interest adjustment mechanism:

- If the shareholders' equity of the Company falls below NIS 300 million, the interest rate in respect of the unamortized balance of the principal of the debentures shall increase by 0.25% per annum above the base interest rate.
- If the ratio of the shareholders' equity of the Company (including minority rights) to the total balance sheet of the Company falls below 17.5%, the interest rate in respect of the unamortized balance of the principal of the debentures shall increase by 0.25% per annum above the base interest rate.
- If the ratio of the net financial debt to EBITDA increase to more than 5, the interest rate in respect of the unamortized balance of the principal of the debentures shall increase by 0.25% per annum above the base interest rate.
- In the event that the rating of the debentures by Midroog Ltd. or by any other rating company that replaces Midroog Ltd. falls by two ratings below the rating of the Company immediately prior to the issuance (A1), the annual interest in respect of the unamortized balance of the principal of the debentures shall increase by 0.5% per annum above the base interest rate. In respect of any further decrease in rating, the interest rate shall increase by an additional 0.25%. The maximum increase in interest pursuant to this mechanism shall not exceed 1%, even if there is an additional lowering of the rating of the debentures.

## Notes to the Consolidated Financial Statements

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### Note 15 – Debentures (cont'd)

#### B. Debentures – Series C (cont'd)

##### Financial covenants and interest adjustment mechanism (cont'd)

The maximum amount of the increase in interest to be granted in respect of a breach of financial covenants, together with the additional interest in respect of the aforementioned reduction in rating, shall not increase by an aggregate amount of more than 1.5% above the base interest rate.

##### The right to demand immediate repayment:

In addition to standard causes for demanding immediate repayment, including non-repayment or non-fulfillment of a material liability, a material impairment of the Company's business and a real concern regarding non-compliance with material liabilities toward holders of debentures, failure to issue financial statements, suspension or delisting of debentures, default events (freezing proceedings, an arrangement pursuant to article 350, a compromise or arrangement, liquidation, seizure of company assets (in whole or in part), receivership, etc.), various actions by the Sheriff's office against the Company, a merger subject to exceptions, a fundamental breach of the terms of the debentures, as well as a situation in which the Company ceases or declares its intention to cease repayment of its debts, etc., the debentures will be presented for immediate repayment in the following cases:

- If the shareholders' equity of the Company falls below NIS 250 million in two consecutive quarters.
- If the ratio of shareholders' equity (including minority rights) to the total balance sheet falls below 15% in two consecutive quarters.
- If the rating of the debentures falls below Baa3 or an equivalent rating.
- If the debentures cease being rated for a period of at least 60 business days, as a result of circumstances that are dependent solely upon the Company.
- If the Company executed a distribution that does not comply with the abovementioned obligations of the Company in connection with the restriction regarding the distribution of a dividend.
- If one of the following is presented for immediate repayment: (1) another or other series of debentures issued by the Company; (2) one or more financial debts of the Company (except for a non-recourse debt of the Company), the unamortized balance (or aggregate balances) of which as of the date of the demand for immediate repayment exceeds the lower of NIS 170 million or an amount that constitutes 12.5% of the balance sheet of the Company as presented in its consolidated financial statements, on condition that the lender of the aforementioned debt (including holders of debentures) did not cancel its demand for immediate repayment within 30 days following the date on which the debt was presented for immediate repayment.
- If the control over the Company was transferred and such transfer was not approved by the meeting of the holders of the debentures by a simple majority.
- If the Company records a "going concern warning" on its financial statements for a period of two consecutive quarters.
- If a change is made in the major operations of the Company.

As of the date of approval of the financial statements, the Company is in compliance with all of the terms of the trust deed.

## Notes to the Consolidated Financial Statements

### Note 16 – Employee benefits

Employee benefits include post-employment benefits and other long-term benefits. Short-term benefits are presented as part of "Other payables".

Regarding post-employment benefits, the Group has defined benefit plans in respect of which it deposits amounts in central severance pay funds. Defined benefit plans entitle qualified employees to a one-time payment based on their employment agreements. In addition, the Company has a defined deposit plan in respect of some of its employees who are subject to article 14 of the Severance Pay Law – 1963.

	<b>December 31,</b>	
	<b>2025</b>	<b>2024</b>
	<b>NIS'000</b>	<b>NIS'000</b>
Present value of the obligations	13,575	12,391
Fair value of plan assets*	(5,424)	(5,559)
	<b>8,151</b>	<b>6,832</b>

\* Plan assets consist of equity instruments in central severance pay funds.

#### (1) Changes in present value of liability in respect of defined benefit plans

	<b>Year ended December 31,</b>	
	<b>2025</b>	<b>2024</b>
	<b>NIS'000</b>	<b>NIS'000</b>
Obligation in respect of defined benefit plan as of beginning of period		
Reclassified to short-term	12,391	12,034
Benefits paid and disposed	(899)	(1,019)
Current service costs and interest costs	1,935	2,464
Actuarial losses (gains) carried to other comprehensive income	148	(1,088)
	<b>13,575</b>	<b>12,391</b>

#### (2) Changes in plan assets

	<b>Year ended December 31,</b>	
	<b>2025</b>	<b>2024</b>
	<b>NIS'000</b>	<b>NIS'000</b>
Fair value of plan assets as of beginning of period	5,559	6,045
Benefits paid and disposed	(550)	(837)
Interest income	358	341
Actuarial gains (losses) carried to other comprehensive income	57	10
	<b>5,424</b>	<b>5,559</b>

#### (3) Expense carried to profit and loss

	<b>Year ended December 31,</b>		
	<b>2025</b>	<b>2024</b>	<b>2023</b>
	<b>NIS'000</b>	<b>NIS'000</b>	<b>NIS'000</b>
Current service costs	1,259	1,803	1,585
Interest costs	676	661	591
Interest income	(358)	(341)	(364)
	<b>1,577</b>	<b>2,123</b>	<b>1,812</b>

## Notes to the Consolidated Financial Statements

## Note 16 – Employee benefits (cont'd)

## (4) Actuarial gains and losses carried directly to other comprehensive income

	Year ended December 31,		
	2025	2024	2023
	NIS'000	NIS'000	NIS'000
Accumulated balance, beginning of period	8,750	7,652	6,369
Amounts recognized during period	(91)	1,098	1,283
Accumulated balance, end of period	8,659	8,750	7,652

## (5) Actuarial assumptions and sensitivity analysis

## Principal actuarial assumptions as of the reporting date (weighted average):

	2025	2024	2023
	%	%	%
Discount rate, end of period	5.1	5.9	6.0
Future increase in salaries	4.7	5.1	5.2

The assumptions regarding future mortality rate are based on published statistical data and on accepted mortality tables.

Reasonable possible changes in one of the actuarial assumptions as at the reporting date, assuming that the rest of the assumptions remain unchanged, have the following impact on the liability in respect of the defined benefit:

	December 31, 2025		December 31, 2024	
	Increase (decrease) of liability		Increase (decrease) of liability	
	Increase of 1%	Decrease of 1%	Increase of 1%	Decrease of 1%
	NIS'000	NIS'000	NIS'000	NIS'000
Rate of future increase in salaries	1,090	(959)	961	(849)
Discount rate	(952)	1,102	(837)	964

## (6) Impact of the plan on the Group's future cash flows

The Group's estimate of the life-span of the plan (based on weighted average) as at the end of the reporting period is 8.1 years (for 2024 –9.4 years).

## (7) The Group has defined deposit plans in respect of some of its employees, under the scope of article 14 of the Severance Pay Law – 1963.

	Year ended December 31		
	2025	2024	2023
	NIS'000	NIS'000	NIS'000
Amount recognized as an expense in respect of a defined deposit plan	16,581	13,990	12,130

## Notes to the Consolidated Financial Statements

### Note 17 – Equity

#### A. Share capital

	<b>December 31, 2025 and 2024</b>
	<b>NIS</b>
Issued and paid in share capital	<u>1,000</u>
Authorized capital	<u>100,000</u>

#### B. Dividends

The following dividends were declared and paid by the Company:

	<b>Year ended December 31,</b>		
	<b>2025</b>	<b>2024</b>	<b>2023</b>
	<b>NIS'000</b>	<b>NIS'000</b>	<b>NIS'000</b>
	<u>50,000</u>	<u>30,000</u>	<u>55,000</u>

### Note 18 – Revenues from sales, net

	<b>Year ended December 31,</b>		
	<b>2025</b>	<b>2024</b>	<b>2023</b>
	<b>NIS'000</b>	<b>NIS'000</b>	<b>NIS'000</b>
From Company production:			
Sales, net	1,391,149	1,135,182	1,079,412
Less excise tax	132,485	99,997	119,725
	<u>1,258,664</u>	<u>1,035,185</u>	<u>959,687</u>
From purchased goods:			
Sales, net	1,545,463	1,470,108	1,027,495
Distribution services	-	-	6,819
Total sales	<u>2,804,127</u>	<u>2,505,293</u>	<u>1,994,001</u>

### Note 19 – Cost of sales

	<b>Year ended December 31,</b>		
	<b>2025</b>	<b>2024</b>	<b>2023</b>
	<b>NIS'000</b>	<b>NIS'000</b>	<b>NIS'000</b>
Use of materials	517,650	419,815	396,156
Payroll and related expenses	88,176	78,343	73,469
Depreciation	81,784	76,654	68,582
Other manufacturing expenses	82,553	67,889	67,083
	<u>770,163</u>	<u>642,701</u>	<u>605,290</u>
Purchases of purchased goods	<u>1,092,915</u>	<u>1,072,379</u>	<u>770,302</u>
	<u>1,863,078</u>	<u>1,715,080</u>	<u>1,375,592</u>

## Notes to the Consolidated Financial Statements

### Note 20 – Selling and marketing expenses

	Year ended December 31,		
	2025	2024	2023
	NIS'000	NIS'000	NIS'000
Payroll and related expenses	277,289	247,043	201,844
Advertising	78,972	65,765	58,095
Depreciation and amortization	86,676	67,371	55,873
Rent and building maintenance	14,111	11,980	13,254
Truck and forklift maintenance	42,496	37,197	25,513
Distribution commissions	18,205	15,936	12,892
Shipping	11,916	16,423	8,207
Other expenses	16,201	16,940	17,962
	<b>545,866</b>	<b>478,655</b>	<b>393,640</b>

### Note 21 – Other expenses and income

	Year ended December 31,		
	2025	2024	2023
	NIS'000	NIS'000	NIS'000
<b>Income</b>			
Revaluation of investment to fair value (see Note 8C)	-	682	29,300
Refund from insurance company	-	1,028	-
Gain on realization of fixed assets, net	230	42	320
Others	510	1,922	4,233
	<b>740</b>	<b>3,674</b>	<b>33,853</b>
<b>Expenses</b>			
Settlement of exposure in respect of possible lawsuit (See Note 8C)	-	-	17,500
Revaluation of investment	634	2,103	1,000
Sanction of the Antitrust Authority (see Note 28(a)2)	-	4,000	-
Others	5,182	402	-
	<b>5,816</b>	<b>6,505</b>	<b>18,500</b>

## Notes to the Consolidated Financial Statements

## Note 22 – General and administrative expenses

	Year ended December 31,		
	2025	2024	2023
	NIS'000	NIS'000	NIS'000
Payroll and related expenses	78,788	66,825	55,904
Management fees	13,250	11,595	7,970
Depreciation and amortization	12,060	10,193	9,549
Other expenses	42,057	33,863	30,285
	<b>146,155</b>	<b>122,476</b>	<b>103,708</b>
Participation of related parties in general and administrative expenses	(200)	(200)	(200)
	<b>145,955</b>	<b>122,276</b>	<b>103,508</b>

## Note 23 – Financing expenses, net

	Year ended December 31,		
	2025	2024	2023
	NIS'000	NIS'000	NIS'000
<b>Income</b>			
Changes in fair value of financial derivatives	-	1,073	-
Income from investee companies	1,153	293	1,211
Exchange rate differences	4,487	1,871	-
Others	1,731	1,037	704
	<b>7,371</b>	<b>4,274</b>	<b>1,915</b>
<b>Expenses</b>			
Interest on debentures	1,692	2,615	3,524
Interest to banks	37,463	27,879	22,424
Exchange rate differences	-	-	8,983
Changes in present value of the exercise price of options granted to minority interest	7,781	-	-
Changes in fair value of financial derivatives	18,844	-	4,911
Interest expense in respect of leasing liabilities	9,589	8,551	4,569
Others	2,694	2,628	220
	<b>78,063</b>	<b>41,673</b>	<b>44,631</b>
Total financing expenses, net	<b>(70,692)</b>	<b>(37,399)</b>	<b>(42,716)</b>

**Notes to the Consolidated Financial Statements**

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**Note 24 - Income Tax****A. Details regarding the tax environment of the Group****(1) Corporate tax rate**

The tax rate applicable to the Group companies in Israel is 23%.

The tax rate applicable to the consolidated company in Cyprus is 12.5%. Commencing from the 2026 tax year, this rate was increased to 15%.

The consolidated company in Georgia is subject to a tax rate of 15%, solely in respect of distributed profits only.

The current taxes for the reported periods are calculated on the basis of the tax rates presented above.

**(2) Industrial company**

The Company qualifies as an "Industrial Company" as defined in the Law for the Encouragement of Industry (Taxes) – 1969 and accordingly it is entitled, among other things, to increased depreciation expenses in respect of equipment used for its industrial activity.

**(3) Excise tax**

Alcoholic beverages that are either imported or manufactured in Israel, as well as certain raw materials, are subject to excise tax pursuant to the Excise Tax Law (Goods and Services) – 1952. There are periodic changes in the rates of this tax, with the resultant positive or negative impact on the business results of the Group.

**a. Excise tax on beer products**

Excise tax on imported and local beer products is a fixed amount per sold liter, calculated each year on the basis of the change in the Consumer Price Index. The excise tax on beer in 2025 is NIS 2.70 per liter (in 2024 - NIS 2.61 per liter, in 2023 – NIS 2.53 per liter).

**b. Excise tax on alcoholic beverages**

The excise tax applicable to alcoholic beverages is a fixed amount per liter of alcohol sold or imported and it varies from year to year, depending upon the change in the Consumer Price Index. The excise tax in 2025 was NIS 97.93 per liter of alcohol (in 2024 was NIS 94.69, in 2023 – NIS 91.63 per liter of alcohol).

**c. Excise tax on sweet drinks**

On October 20, 2021, the Customs Tariff Order and the Exemptions from Excise Tax on Goods (Amendment No. 4) – 2021 was publicized in the Official Gazette imposing, commencing from January 1, 2022, an excise tax on sweet drinks bottles, fruit juice containers, concentrates and powders for the preparation of sweet drinks. On sweet drinks containing a sugar ratio higher than or equal to 5 grams per 100 milliliter, the tax was set at NIS 1.02 per liter of drink. On sweet drinks containing a sugar ratio less than 5 grams per 100 milliliter, sweet drinks containing another sweetener as well as fruit juices, the tax was set at NIS 0.72 per liter of drink.

On March 30, 2023 and December 31, 2023, special orders were issued whereby the order would not become effective until December 31, 2024. On January 1, 2025, an amendment was issued to the Customs Tariff Order whereby the excise tax was cancelled in respect of sweet drink containers.

## Notes to the Consolidated Financial Statements

## Note 24 - Income Tax (cont'd)

## B. Composition of income tax income (expense)

	Year ended December 31,		
	2025	2024	2023
	NIS'000	NIS'000	NIS'000
Current taxes	(58,496)	(35,216)	(13,845)
Deferred taxes	13,707	(1,275)	(2,111)
Taxes on income	<u>(44,789)</u>	<u>(36,491)</u>	<u>(15,956)</u>

## C. Reconciliation between the theoretical tax on the pre-tax profit and the tax expense:

	Year ended December 31,		
	2025	2024	2023
	NIS'000	NIS'000	NIS'000
Income before taxes on income	173,806	143,108	86,739
Primary tax rate of the Company	23%	23%	23%
Tax calculated according to the Company's primary tax rate	39,975	32,915	19,950
Additional tax (tax saving) in respect of:			
Calculated tax in respect of the share of the Company in the losses (profits) of equity-accounted investee companies	(80)	1,367	1,647
Non-deductible expenses	1,202	1,220	1,202
Losses in respect of which deferred taxes were not recorded	3,952	1,655	349
Tax-exempt income	(1,174)	(189)	(6,796)
Tax rate differences in respect of consolidated companies	674	-	-
Others	240	(477)	(396)
Taxes on income	<u>44,789</u>	<u>36,491</u>	<u>15,956</u>

## Notes to the Consolidated Financial Statements

## Note 24 - Income Tax (cont'd)

## D. Deferred tax assets and liabilities

## (1) Recognized deferred tax assets and liabilities

The deferred taxes were calculated on the basis of the tax rates expected to apply on the date of reversal, as detailed above.

Deferred tax assets and liabilities allocated to the following items:

	Fixed assets	Employee benefits	Provision for expected credit losses	Others	Total
	NIS'000	NIS'000	NIS'000	NIS'000	NIS'000
<b>Deferred tax asset (liability) as of January 1, 2024</b>	(56,771)	4,866	4,468	(8,614)	(56,051)
Changes carried to profit and loss	(3,303)	1,231	(1,005)	1,802	(1,275)
Changes against other comprehensive income	-	(253)	-	-	(253)
<b>Deferred tax asset (liability) as of December 31, 2024</b>	(60,074)	5,844	3,463	(6,812)	(57,579)
Changes carried to profit and loss	13,302	1,097	(435)	(257)	13,707
Changes against other comprehensive income	-	21	-	-	21
<b>Deferred tax asset (liability) as of December 31, 2025</b>	<u>(46,772)</u>	<u>6,962</u>	<u>3,028</u>	<u>(7,069)</u>	<u>(43,851)</u>

## (2) Tax losses and deductions carried forward to future years

Some of the consolidated companies have tax loss carryforwards in an amount of NIS 74 million. In respect of these losses, in an amount of NIS 23 million, no deferred taxes were recorded.

## E. Tax assessments

Subsequent to the date of the statement of financial position, in February 2026, a tax assessment agreement was signed between the Company and the income tax authorities in respect of the tax years through 2022. Pursuant to the agreement, part of the depreciation expenses for tax purposes that were claimed for the years 2019 – 2022 were deferred to the years 2025 – 2027. The Company updated its provisions for tax accordingly.

For the rest of the group companies, tax assessments are considered final up to and including the tax year 2020.

**Notes to the Consolidated Financial Statements**

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**Note 25 – Financial risk management****A. General**

The Group is exposed to the following risks, deriving from use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk (including currency risk and interest risk)

This note provides information pertaining to the exposure of the Group to each of the aforementioned risks, the objectives of the Group, and the policies and processes regarding the measurement and management of the risk. Additional quantitative disclosure is presented throughout these consolidated financial statements.

**B. Credit risk**

Trade and other accounts receivable

The exposure of the Group to credit risks is influenced primarily by the personal characteristics of each customer. Company Management set down a credit policy whereby each new customer undergoes a detailed examination regarding the quality of its credit before the Company offers the customer the Group's normal credit and shipping terms. The investigation performed by the Group includes third-party credit ratings. The Group sets purchase limits for each customer, reflecting the customer's maximum credit limit. Customers who do not meet the Group's criteria regarding credit quality can still purchase from the Group if they pay cash up front.

**C. Liquidity risk**

The approach of the Group in managing its liquidity risk is to ensure, to the extent possible, that it has enough liquid resources to meet its liabilities on time, in both normal times and in times of pressure, without incurring undesirable losses or damage to its reputation.

**D. Market risks**

*Currency risk*

The Group is exposed to currency risk in respect of purchases, raw materials and purchased goods, and loans denominated in various currencies of the functional currencies of the Group companies, primarily the dollar, the euro and the Georgian Lari.

*Interest risk*

The Company has shekel loans that are linked to the Prime Rate. The Company does not hedge against the possibility of changes in interest rates and operates on the basis of market conditions to reduce the exposure and reduce its finance costs.

## Notes to the Consolidated Financial Statements

## Note 26 – Financial instruments

## A. Credit risk

The following table presents aging of customer debts:

	December 31, 2025		December 31, 2024	
	Gross	Provision for expected credit losses	Gross	Provision for expected credit losses
	NIS'000	NIS'000	NIS'000	NIS'000
Not in arrears	497,711	4,536	447,659	4,526
Arrears of 0 – 30 days	22,707	118	20,145	140
Arrears of 31 – 120 days	12,144	52	13,553	40
Arrears of more than 120 days	30,210	21,004	25,746	15,926
	<b>562,772</b>	<b>25,710</b>	<b>507,103</b>	<b>20,632</b>

Part of the credit to customers is insured with credit insurance and with various other collateral.

## B. Liquidity risks

The following table presents the contractual maturity dates of the financial liabilities, including estimated interest payments.

	December 31, 2025						
	Carrying Value	Contractual Cash flow	Up to 6 months	6-12 months	1-2 years	2-4 years	More than 4 years
	NIS'000	NIS'000	NIS'000	NIS'000	NIS'000	NIS'000	NIS'000
<b>Non-derivative financial liabilities</b>							
Short-term overdrafts and loans from banks and others	500,176	522,380	513,962	8,418	-	-	-
Suppliers	420,697	420,697	420,697	-	-	-	-
Current maturities of debentures	22,571	23,449	22,922	527	-	-	-
Other payables	156,025	156,025	156,025	-	-	-	-
Long-term bank loans	71,958	100,670	-	-	18,459	35,191	47,020
Debentures	66,346	68,261	-	-	23,098	45,163	-
Other long-term liabilities	2,984	3,618	-	-	140	280	3,198
<b>Total</b>	<b>1,240,757</b>	<b>1,295,100</b>	<b>1,113,606</b>	<b>8,945</b>	<b>41,697</b>	<b>80,634</b>	<b>50,218</b>
	December 31, 2024						
	Carrying Value	Contractual Cash flow	Up to 6 months	6-12 months	1-2 years	2-4 years	More than 4 years
	NIS'000	NIS'000	NIS'000	NIS'000	NIS'000	NIS'000	NIS'000
<b>Non-derivative financial liabilities</b>							
Short-term overdrafts and loans from banks and others	385,218	396,771	390,130	6,641	-	-	-
Suppliers	371,689	371,689	371,689	-	-	-	-
Current maturities of debentures	22,659	23,800	23,098	702	-	-	-
Other payables	147,438	147,438	147,438	-	-	-	-
Long-term bank loans	7,749	9,057	-	-	3,732	1,183	4,142
Debentures	88,366	91,710	-	-	23,449	45,845	22,416
Other long-term liabilities	2,799	3,633	-	-	140	280	3,213
<b>Total</b>	<b>1,025,918</b>	<b>1,044,098</b>	<b>932,355</b>	<b>7,343</b>	<b>27,321</b>	<b>47,308</b>	<b>29,771</b>

## Notes to the Consolidated Financial Statements

## Note 26 – Financial instruments (cont'd)

## C. CPI and foreign currency risks

## 1. Exposure to CPI and foreign currency risk

The following table presents CPI and foreign currency risk, based on denominated values:

	December 31, 2025					Total NIS'000
	NIS		Foreign Currency			
	Unlinked NIS'000	Linked to the CPI NIS'000	Dollar NIS'000	Euro NIS'000	Georgian Lari NIS'000	
<b>Financial assets and financial liabilities</b>						
<b>Current assets;</b>						
Cash and cash equivalents	30,671	-	7,849	8,743	1,695	48,958
Trade accounts receivable	467,624	-	11,282	31,601	26,555	537,062
Financial instruments	-	-	42	259	-	301
Other receivables	21,881	2,041	11,544	14,619	4,394	54,479
<b>Non-current assets:</b>						
Long-term loans and receivables	18,243	6,215	-	-	-	24,458
	<u>538,419</u>	<u>8,256</u>	<u>30,717</u>	<u>55,222</u>	<u>32,644</u>	<u>665,258</u>
<b>Current liabilities:</b>						
Short-term overdrafts and loans from banks and others	483,735	-	3,495	7,315	5,631	500,176
Trade accounts payable	292,010	-	38,610	79,394	10,683	420,697
Other payables	119,466	24,338	581	6,162	5,478	156,025
Derivative instruments	-	-	5,433	3,166	-	8,599
Current maturities of debentures	22,571	-	-	-	-	22,571
Current maturities of leasing liabilities	697	46,062	629	787	-	48,175
<b>Non-current liabilities</b>						
Liabilities to banking institutions	-	-	1,204	19,839	50,915	71,958
Debentures	66,346	-	-	-	-	66,346
Liabilities in respect of leasing	8,957	137,791	8,076	2,805	-	157,629
Other long-term liabilities	7,218	2,984	-	-	94,748	104,950
	<u>1,001,000</u>	<u>211,175</u>	<u>58,028</u>	<u>119,468</u>	<u>167,455</u>	<u>1,557,126</u>
Total risk, net	<u>(462,581)</u>	<u>(202,919)</u>	<u>(27,311)</u>	<u>(64,246)</u>	<u>(134,811)</u>	<u>(891,868)</u>

## Notes to the Consolidated Financial Statements

## Note 26 – Financial instruments (cont'd)

## C. CPI and foreign currency risks (cont'd)

## 1. Exposure to CPI and foreign currency risk (cont'd)

	December 31, 2024				
	NIS		Foreign Currency		
	Unlinked NIS'000	Linked to the CPI NIS'000	Dollar NIS'000	Euro NIS'000	Total NIS'000
<b>Financial assets and financial liabilities</b>					
<b>Current assets;</b>					
Cash and cash equivalents	9,371	-	16,251	9,871	35,493
Trade accounts receivable	433,599	-	17,661	35,211	486,471
Other receivables	23,099	1,948	22,349	9,072	56,468
<b>Non-current assets:</b>					
Long-term loans and receivables	12,026	6,881	-	-	18,907
	<u>478,095</u>	<u>8,829</u>	<u>56,261</u>	<u>54,154</u>	<u>579,339</u>
<b>Current liabilities:</b>					
Short-term overdrafts and loans from banks and others	384,842	-	-	376	385,218
Trade accounts payable	271,158	-	14,434	86,097	371,689
Other payables	123,832	17,344	550	5,712	147,438
Derivative instruments	-	-	972	6,396	7,368
Current maturities of debentures	22,659	-	-	-	22,659
Current maturities of leasing liabilities	658	43,817	594	459	45,528
<b>Non-current liabilities</b>					
Liabilities to banking institutions	3,125	-	-	4,624	7,749
Debentures	88,366	-	-	-	88,366
Liabilities in respect of leasing	9,565	133,413	8,623	209	151,810
Other long-term liabilities	-	2,799	-	-	2,799
	<u>904,205</u>	<u>197,373</u>	<u>25,173</u>	<u>103,873</u>	<u>1,230,624</u>
Total risk, net	<u>(426,110)</u>	<u>(188,544)</u>	<u>31,088</u>	<u>(49,719)</u>	<u>(633,285)</u>

2. Derivatives:

The fair value of the forward contracts is based on their listed market prices when available. In the absence of such market prices, the fair value was estimated on the basis of the discounting of the difference between the forward price denominated in the contract and the current forward price in respect of the balance of the period of the contract to maturity, using an appropriate interest rate.

The following is a breakdown of the exposure of the Company to foreign currency risks in respect of derivative financial instruments:

As of December 31, 2025:

- The Company has forward contracts for the purchase of \$47.9 million for an amount of NIS 158 million, for the period until June 2026.  
The Company has forward contracts for the purchase of €31 million for an amount of NIS 119.7 million, for the period until June 2026.

## Notes to the Consolidated Financial Statements

### Note 26 – Financial instruments (cont'd)

#### C. CPI and foreign currency risks (cont'd)

##### 2. Derivatives (cont'd):

As of December 31, 2024:

- The Company has forward contracts for the purchase of \$15.3 million for an amount of NIS 56.4 million, for the period until February 2025.

The Company has forward contracts for the purchase of €28 million for an amount of NIS 112.8 million, for the period until April 2025.

##### 3. Sensitivity analysis

The weakening of the shekel against the following currencies and the increase in the Consumer Price Index would have increased (decreased) shareholders' equity and the profit and loss by the following amounts (without the tax effect). This analysis was performed under the assumption that all other variables, especially interest rates, remained constant:

	<b>Year ended December 31,</b>	
	<b>2025</b>	<b>2024</b>
	<b>Equity / gain (loss)</b>	<b>Equity / gain (loss)</b>
	<b>NIS'000</b>	<b>NIS'000</b>
Increase in CPI of 1.5%	<b>(286)</b>	<b>(170)</b>
Increase in exchange rate of:		
US Dollar of 5%	<b>6,538</b>	<b>4,405</b>
Euro of 5%	<b>2,748</b>	<b>3,443</b>

The strengthening of the shekel by similar percentages against the aforementioned currencies, together with the decrease in the Israel Consumer Price Index by a similar percentage as of December 31, 2025 and 2024 had a narrowing impact, albeit in an opposite direction, under the assumption that all of the other variables remained constant.

For additional information regarding the fair value hierarchy, see Note 2D.

#### D. Interest rate risk

##### 1. The following is a breakdown of the types of interest of financial liabilities:

	<b>December 31,</b>	
	<b>2025</b>	<b>2024</b>
	<b>NIS'000</b>	<b>NIS'000</b>
Financial liabilities at fixed interest	<b>92,042</b>	<b>126,763</b>
Financial liabilities at variable interest	<b>569,009</b>	<b>377,229</b>

## Notes to the Consolidated Financial Statements

### Note 26 – Financial instruments (cont'd)

#### D. Interest rate risk (cont'd)

##### 2. Sensitivity analysis of the fair value of instruments at fixed interest

The Group's assets and liabilities at fixed interest are not measured at fair value through profit and loss. Therefore, a change in interest rates as of the balance sheet date is not expected to have any impact on profit and loss in respect of changes in the value of the assets and liabilities at fixed interest.

##### 3. Cash flow sensitivity analysis regarding instruments at variable interest rates

A change of 1 percentage point in interest rates at the reporting date would increase or decrease the shareholders' equity and profit and loss by the following amounts (with the tax effect). This analysis was done under the assumption that the rest of the variables, especially foreign currency exchange rates, remained constant.

	December 31, 2025	December 31, 2024
	Equity/Loss	Equity/Loss
	Increase in interest	Increase in interest
	NIS'000	NIS'000
Instruments at variable interest rates	<u>(5,690)</u>	<u>(3,772)</u>

A decrease in interest of a similar rate as at December 31, 2025 and 2024 had an identical impact, although in opposing directions, under the assumption that all of the other variables remained constant.

#### E. Fair value

##### Financial instruments measured at fair value for disclosure purposes only

The carrying value of certain financial assets and liabilities, including cash and cash equivalents, trade accounts receivable, other receivables, bank overdrafts, short-term loans and credit, trade accounts payable and other accounts payable agree with or approximate their fair value.

The fair value of the rest of the financial assets and liabilities and the carrying value as presented in the financial statements are as follows:

	Fair Value Level	December 31, 2025		December 31, 2024	
		Carrying value NIS'000	Fair value NIS'000	Carrying value NIS'000	Fair value NIS'000
<b>Non-current liabilities:</b>					
Debentures	*1	88,917	85,087	111,025	104,131
Long-term bank loan	3	84,031	84,016	20,738	20,407
Long-term loans from others	3	3,124	2,025	2,939	1,896

(\*) Fair value of debentures is based on their stock market price.

## Notes to the Consolidated Financial Statements

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### Note 27 - Commitments

#### A. Agreement with PepsiCo Inc. and with Seven Up International (hereinafter jointly – "PepsiCo")

On April 13, 2015, the Company renewed its agreements with PepsiCo, whereby the Company was granted a franchise for the sole manufacture, market, sale and distribution in Israel of PepsiCo's beverages, including Pepsi Cola, Pepsi Zero, Miranda, Seven Up and Seven Up Zero (hereinafter – the "Agreement").

The agreement was extended from time to time, subject to the right of either of the parties to terminate the agreement upon the period of advanced notification, as set out in the agreement.

On October 6, 2025, the agreement was extended until the end of 2026.

#### B. Agreement with Pernod Ricard Europe S.A.

On July 7, 2010, the Company entered into an agreement with Pernod Ricard Europe S.A. (hereinafter – the "agreement" and "Pernod" respectively) which was amended on July 5, 2012, regarding the exclusive marketing, sale and distribution in Israel of the alcoholic beverages manufactured and distributed by companies of the Pernod Group (hereinafter – the "Products"), including the "Absolut" vodka brand, and the whiskey brands "Jameson", "Chivas" and "Ballentines".

On March 27, 2018, the engagement between the parties was renewed, at terms that are similar to those in the agreement, for an additional period of seven years. It was stipulated that it will be extended automatically for additional seven-year periods each, subject to the right of each of the parties to terminate it upon advance notification, as set out in the agreement.

#### C. Agreement with XL Energy Corp.

On September 2, 2009, the Company entered into an agreement with XL Energy Corp. (hereinafter – "XL") whereby the Company was granted the exclusive rights of manufacturing, marketing, selling, and distribution of XL products in Israel. The agreement period is 10 years, commencing on January 1, 2010 and it is automatically renewable for five additional years.

Pursuant to the provisions of the distribution agreement, the Company and XL divide the profit, as defined in the agreement, of the operations of the Company in connection with the XL brand name products.

On January 26, 2017, the engagement was extended for an additional 10 years, commencing from 2021. In addition, the territorial coverage of the agreement was broadened to include Cyprus as well.

#### D. Mei Eden

On September 21, 2022, the Company entered into an agreement with Mei Eden Ltd. (hereinafter: "Mei Eden") pursuant to which the Company will provide Mei Eden, in return for a distribution fee, sales and distribution services, on a non-exclusive basis, in respect of the water products of Mei Eden in bottles in the territories of the State of Israel and the Palestinian Authority (hereinafter - the "Agreement"). The period of the agreement is 6 years, commencing April 2024 (hereinafter: - the "First Engagement Period"). At the end of the first engagement period, the engagement will be automatically extended for an additional period of 6 years, subject to the terms specified in the agreement. Notwithstanding the foregoing, at any time, each party has the right to give notice regarding the early termination of the Agreement, upon 18 months' notice.

As from January 1, 2024, the Company gradually started distributing Mei Eden products. The transition to full distribution started at the end of the third quarter of 2024.

In addition, the agreement sets out mutual compensation clauses for failure to meet minimum objectives, insofar as such failure is not due solely to an act of commission and/or omission of the party entitled to such compensation.

**Notes to the Consolidated Financial Statements**

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**Note 27 - Commitments (cont'd)****E. Ceremonie Tea Ltd.**

On July 6, 2025, the Group entered into an agreement with Ceremonie Tea Ltd. (hereinafter: "Ceremonie"), which manufactures and develops products in the field of tea and infusions, and owns the Ceremonie brand in this field. As part of the agreement, the Company was appointed as a distributor of Ceremonie products in the territory of the State of Israel.

The agreement is for a period of three years starting on October 19, 2025, and will be renewed for additional periods of three years each, subject to the right of each party to notify the other party 180 days prior the end of the agreement period or the period of any extension, as the case may be, of its decision not to extend the period of the agreement.

In addition, the Company was given an option to purchase all of the shares of Ceremonie for a period of 24 months from the date of the signing of the agreement, at the price agreed upon between the parties. In the opinion of Company Management, the value of the option is immaterial.

**F. Agreement to purchase grapes**

Barkan Wineries undertook to purchase grapes from vine growers each harvest year, in accordance with the terms set out in various agreements. including the following:

- Vineyards as part of Joint Activities with vine growers – Under transactions of this kind, Barkan Wineries undertakes the costs of purchasing the inputs to set up the vineyard and the grower undertakes the growing expenses until the first harvest (usually 3 – 4 years after the planting of the vineyard). Subsequently, the expenses of the vineyard are split equally between the Barkan Wineries and the grower (except for extraordinary expenses). The grape yield under these agreements between Barkan Wineries and the growers is divided equally. According to the provisions of such agreements, Barkan Wineries purchases the entire share of the grower in the grape yield. In addition, these agreements contain provisions regarding the manner in which the yield is to be planted and in which the fruit of the harvest are to be purchased.
- Agreements to work the vineyards – Under these agreements, Barkan Wineries renders to the right holders of the vineyards farming services and covers all of the expenses involved in working of the vineyard, in return for the entire yield of the vineyard.

**G. Deposit on Beverage Bottles**

According to the Beverage Bottle Deposit Law - (1999) (hereinafter - the deposit law), a deposit in the amount of NIS 0.30 must be made on every sale of a beverage bottle with a volume of between 0.1 liter to 5 liter. The deposit will be refunded upon the return of the beverage bottle to the sale point, the manufacturer or the importer.

The Company entered into contracts with three entities, to receive services for the collection of empty beverage bottles from businesses in accordance with the provisions of the Deposit Law, transferring them to a recycling facility, and refunding the deposit amounts in respect of the Company's bottles to the extent required by the Deposit Law.

**H. Agreements with interested party companies**

Regarding commitments with interested party companies, see Note 29.

## Notes to the Consolidated Financial Statements

### Note 28 - Contingent Liabilities, Guarantees and Pledges

#### A. Contingent liabilities

1. Suits and debt demands have been filed against the Company for a total amount of NIS 15,800 thousand. In the opinion of Company Management, based on its legal counsel, the Company will not incur any expenses in respect of the results of the suits beyond the provision that is included in the financial statements.
2. On May 20, 2024, the Antitrust Authority sent a notice to the Company (hereinafter: the "Notice") regarding the intention of the Antitrust Commissioner (hereinafter: the "Commissioner") to impose a financial sanction of NIS 4,000 thousand on the Company for violations of the provisions of the Promotion of Competition in the Food Industry Law (5774 – 2014) (hereinafter: the "Food Law"). The Company agreed to waive the right to argue its claims before the Commissioner, agreed to view the notice of intent to charge as a payment demand that was given to it at the time the notice was sent, recorded the sanction as an expense in the income statement in the 'Other Expenses' section, and paid the amount of the sanction. Against the Company's consent as aforesaid, the Antitrust Authority committed itself that the Commissioner or the Authority would not take enforcement measures against the Company or anyone on its behalf for a violation of the provisions of Sections 7(a)1(a) and 7(a)3(a) of the Food Law for the acts detailed in the notice or for any other matter, which was examined by the Authority as part of the lateral administrative enforcement proceeding that the Authority took prior to the sending of the notice.

#### B. Guarantees

For information pertaining to the guarantee to secure the liabilities of investee companies to banks, see Note 8.

#### C. Pledges

The Group has made the following pledges:

- (1) Fixed and current pledges in favor of banks, unlimited in amount – on the assets of the Company, including goodwill and on the share capital not yet demanded or paid in.
- (2) As of the reporting date, the amounts secured by pledges to banking institutions in respect of credit granted by them, including guarantees and letters of credit amounted to NIS 437 million.

### Note 29 – Related and interested parties

#### A. Benefits to interested parties

	Year ended December 31,					
	2025		2024		2023	
	No. of people	Amount NIS'000	No. of people	Amount NIS'000	No. of people	Amount NIS'00
Benefits to interested parties employed by the Company	3	16,593	3	15,509	3	9,324
Benefits to directors not employed by the Company	4	558	3	545	3	525

## Notes to the Consolidated Financial Statements

## Note 29 – Related and interested parties (cont'd)

**B. Balances with interested parties and related parties**

	December 31,	
	2025	2024
	NIS'000	NIS'000
Trade and other accounts receivable	5,060	3,784
Suppliers	33,785	34,257
Other payables	10,535	8,988

**C. Remuneration of key management executives**

	Year ended December 31,					
	2025		2024		2023	
	NIS'000		NIS'000		NIS'000	
	No. of people	Amount	No. of people	Amount	No. of people	Amount
Payroll and related expenses	12	19,254	11	15,981	11	12,126

**D. Transactions with related and interested parties – all transactions are at market terms**

	Year ended December 31,		
	2025	2024	2023
	NIS'000	NIS'000	NIS'000
	Transaction amounts		
Purchases of purchased products	137,071	125,784	127,122
Production services	1,701	3,559	4,167
Other purchases	113	322	399
Other manufacturing expenses	9,012	8,841	7,691
Distribution expenses	4,869	4,829	3,173
Rent expenses	5,695	4,655	2,861
Participation of the parent company in general and administrative expenses	200	200	200
Sale of raw materials	470	923	-
Participation of investee companies in expenses	1,675	1,702	1,898
Revenues from distribution services	-	-	6,819
Financing income, net	943	166	1,154

**E. Employment agreements with the chairman of the board, the CEO of the Company and the deputy chairman of the board****1. The following is a summary of the principal terms of the Management Services Agreement with Jacques Beer:**

Mr. Jacques Beer renders management services to the Company as its active chairman of the board of directors.

The monthly remuneration in respect of the management services was set at \$25,000, translated into shekels on January 1, 1997 and linked to the Consumer Price Index at that date. In addition, Mr. Beer is entitled to a company car, a cellular phone and a phone line at his home. Mr. Beer is also entitled to an annual bonus.

## Notes to the Consolidated Financial Statements

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### Note 29 – Related and interested parties (cont'd)

#### E. Employment agreements with the chairman of the board and an interested party in the Company (cont'd)

##### (1) (cont'd)

On March 31, 2022, the general meeting, further to the approval of the remunerations committee and the Board of Directors of the Company, approved the updating of the annual calculated bonus of the Chairman of the Board of Directors, whereby the bonus will be 3% of the pre-tax income, but in any event, it will not exceed the amount equal to 36 payments of the monthly management fee. With regard to this matter, the term “pre-tax income” refers to the amount of the pre-tax income appearing in the annual consolidated financial statements of the Company in respect of the relevant year, prior to the payment of the annual bonuses, neutralizing one-off events and/or or non-recurring income.

On March 27, 2025, the General Meeting of the Company’s Shareholders, following the approval of the Audit Committee (acting in its capacity as the Compensation Committee) and the Board of Directors, approved an update to the measurable bonus for the Company's officers for the year 2024. According to the update, the measurable bonus to which Mr. Beer is entitled will be calculated as a function of the Company's pre-tax profits, based on meeting 100% of the profit target set for the Company by the Board of Directors for 2024 (net of the results of food operations). Additionally, the compensation to which he is entitled was reapproved without any changes to the terms.

##### (2) *The following is a summary of the principal terms of the Management Services Agreement with Amir Bornstien:*

Mr. Amir Bornstien serves as the Chairman of the Board, a member of its management team, and as the active chairman of the board of directors of Barkan Wineries.

The monthly remuneration in respect of the services Mr. Bornstien renders was set at \$20,000, translated into shekels on February 1, 1999 and linked to the Consumer Price Index at that date. In addition, Mr. Bornstien is entitled to a company car, a cellular phone and a phone line at his home.

On March 31, 2022, the general meeting, further to the approval of the remunerations committee and the Board of Directors of the Company, approved the updating of the annual calculated bonus of the Deputy Chairman of the Board of Directors, whereby the bonus will be 2% of the pre-tax income, but in any event, it will not exceed the amount equal to 36 payments of the monthly management fee. With regard to this matter, the term “pre-tax income” refers to the amount of the pre-tax income appearing in the annual consolidated financial statements of the Company in respect of the relevant year, prior to the payment of the annual bonuses, neutralizing one-off events and/or or non-recurring income.

On March 27, 2025, the General Meeting of the Company’s Shareholders, following the approval of the Audit Committee (acting in its capacity as the Compensation Committee) and the Board of Directors, approved an update to the measurable bonus for the Company's officers for the year 2024. According to the update, the measurable bonus to which Mr. Bornstien is entitled will be calculated as a function of the Company's pre-tax profits, based on meeting 100% of the profit target set for the Company by the Board of Directors for 2024 (net of the results of food operations). Additionally, the compensation to which he is entitled was reapproved without any changes to the terms.

**Notes to the Consolidated Financial Statements**

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**Note 29 – Related and interested parties (cont'd)****E. Employment agreements with the chairman of the board and an interested party in the Company (cont'd)****(3) *The major provisions of the agreement with Mr. Daniel Beer***

On March 31, 2022, the appointment of Mr. Daniel Beer (who is the son of Mr. Jacques and Mrs. Rina Beer, among the controlling shareholders of the Company), who, until that date served as Deputy CEO, was approved as the Company's CEO as of April 1, 2022. The General Meeting, further to the approval of the Remuneration Committee and the Company's Board of Directors approved the Company entering into an updated employment agreement with Mr. Daniel Beer in his capacity as CEO of the Company, in force from that date.

The following are the main terms of Mr. Daniel Beer's tenure and employment under the said employment agreement:

His gross monthly salary is NIS 88,000 (hereinafter: the "salary"). Mr. Daniel Beer is entitled to social benefits as is customary for employees in management positions in the company, vacation days, sick leave and convalescence pay, including management insurance and workmen's compensation, as well as for vehicles and mobile phones. The employment agreement is for an indefinite period. Each party shall be entitled to terminate the agreement with 30 days' prior written notice to the other party. In addition, it was agreed that Mr. Daniel Beer will be entitled to an annual bonus in an amount of no more than 15 salaries, deriving from the Company's compliance with the pre-tax profit set by the Company's board of directors in relation to a certain calendar year.

Mr. Daniel Beer is entitled to an indemnification and exemption letter, worded in the Company's accepted format and will be insured by a policy for insuring officers of the Company as long as the Company maintains such a policy.

On March 27, 2025, the General Meeting of the Shareholders of the Company, following the approval of the Audit Committee (acting in its capacity as the Compensation Committee) and the Board of Directors, approved an update to the measurable bonus for the Company's officers for the year 2024. According to the update, the measurable bonus to which Mr. Daniel Beer will be entitled will be calculated as a function of the Company's pre-tax profits, based on meeting 100% of the profit target set for the Company by the Board of Directors for 2024 (net of the results of food operations).

In addition, the General Meeting of the Company, following the approval of the Compensation Committee and the Board of Directors, approved an update to his gross monthly salary, effective April 2025, which will amount to NIS 95,000. Furthermore, the measurable annual bonus to which Mr. Daniel Beer will be entitled starting in 2025 will amount to 0.9% of pre-tax profits, and in any case, will not exceed a total equivalent to 16 monthly salaries. For this purpose, "pre-tax profits" refers to the amount of profit before tax as presented in the Company's consolidated annual financial statements for the relevant year, before the payment of annual bonuses, and excluding one-time events and/or one-time profits.

**Notes to the Consolidated Financial Statements**

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**Note 29 – Related and interested parties (cont'd)****F. Transactions with controlling shareholders****Manufacture of Heineken beer**

The Company entered into an agreement with a company of the Heineken Group regarding a franchise to manufacture at, market, sell and distribute Lager beer from the Company's Netanya plant, under the brand name "Heineken" (hereinafter – the "**franchise agreement**" and "**Heinekin**", respectively). Under the agreement, Tempo Industries is granted an exclusive concession for a period of 20 years (hereinafter – the "**franchise period**") to be renewed for further five-year periods on each occasion (hereinafter – the "**extension periods**"), subject to each party's right to terminate the agreement by informing the other party 12 months before the end of the concession period or any of the extension periods.

In consideration of obtaining this exclusive concession, the Company shall pay Heineken annual royalties in respect of the sale of Heineken beer.

Heineken will provide the Company with technical advice in connection with the manufacture of Heineken beer, all according to an annual budget to be agreed upon each year between Heineken and the Company. The Company shall also be entitled to purchase from Heineken other services in connection with Heineken beer, for payment of the rates generally applied by Heineken.

The parties shall agree upon marketing plans for Heineken each year. In this context, the Company shall determine the pricing policy to be approved by Heineken.

The agreement includes restrictions regarding the importing and sale of products that compete with Heineken Beer.

On August 27, 2015, the board of directors of the Company approved an addendum to the franchise agreement. The addendum set out the rate of the annual royalties to be paid by the Company to Heineken in respect of the sales of Heineken beer products and the percentage of the marketing expenses for each calendar year out of the net sales receipts (as the term is defined in the updated agreement) of the Company in respect of the sales of products in the same calendar year and the mechanism for the participation of Heineken in the aforementioned marketing expenses. In addition, the definition of the territory in which the agreement applies was expanded so as to include Cyprus.

On May 23, 2025, a franchise agreement was signed between a company in the Heineken Group and GBC, whereby GBC was granted a license to manufacture, market, sell and distribute Heineken beer in Georgia (hereinafter – the "GBC Franchise Agreement"). The GBC Franchise Agreement grants GBC the sole right to use the trademarks of Heineken in connection with the manufacture and sale of the product in Georgia. The agreement period is ten years commencing from the date on which commercial manufacture of the product begins and it will be automatically extended for additional periods of five years each, unless either of the parties gives notice of the termination of the agreement pursuant to its terms.

**Supply agreement**

The Company entered into an agreement with Preforms Beverages Ltd. (hereinafter – "Preforms"), a subsidiary of Tempo Beer Industries Ltd. (a related party) (hereinafter – "Tempo Industries"), regarding the supply of polyethylene products required by the Company to produce the bottles for the beverages it manufactures.

According to the supply agreement, the Company purchases from third parties the raw materials used in the manufacture of polyethylene products, and it purchases from Preforms conversion services in connection with the manufacture of the polyethylene products for a fixed amount, as detailed in the supply agreement.

The Agreement, including all of its various appendices, was extended until March 31, 2023.

## Notes to the Consolidated Financial Statements

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### Note 29 – Related and interested parties (cont'd)

#### F. Transactions with controlling shareholders (cont'd)

##### Supply agreement (cont'd)

On March 30, 2023 and further to the approval of the relevant organs of the Company, an additional addendum to the supply agreement was approved until March 31, 2026. The prices of the products to be supplied by Preforms to the Company were updated in accordance with the updated price quote given by Preforms to the Company on the basis of the negotiations conducted between the parties as part of which the prices of the products to be supplied were reduced.

On March 26, 2026 and further to the approval of the relevant organs of the Company, the agreement was extended until March 31, 2029, without any changes to the terms.

##### Rental agreements

- On May 24, 2010, the Company and the subsidiary, Tempo Marketing (1981) Ltd., entered into an agreement with Tempo Industries, regarding the rental by the Company and the subsidiary of 10 dunams of land leased by Tempo Industries, adjacent to the plant of the Company in Netanya. The rental period is twenty four years and eleven months, commencing on January 1, 2010. The annual rental fees pursuant to the agreement amount to NIS 2,000 thousand, linked to the Consumer Price Index.
- On June 15, 2005, the Company entered into an agreement with Tempo Industries whereby the Company rents property in Migdal Ha'emek for an amount of \$133 thousand per annum. The original agreement was for a period of 24 months, automatically renewed for additional 12-month periods, subject to the right of the Company to terminate the agreement upon advance notice of 30 days.

On May 30, 2024, an amendment to the agreement was signed whereby the monthly rental fees commencing from June 1, 2024 were changed to NIS 284 thousand, linked to the Consumer Price Index.

##### Transfer pricing

Pursuant to a transfer pricing study conducted in connection with Tempo Cyprus, and taking into consideration that all of the operating and business risks in connection with the activities of Tempo Cyprus have been borne by the Company since the inception of Tempo Cyprus, it was determined that Tempo Cyprus serves as a distributor of the Company and it will be entitled to a fixed operating margin based on the transfer pricing study.

### Note 30 – Leasing

The Company implements IFRS 16, *Leasing*. As part of leasing agreements, the Group leases the following items:

1. Vehicles
2. Property and office space
3. Vineyards.

#### (1) Information pertaining to material leasing agreements

- a. The Group leases vehicles for periods of three years and from time to time, it changes the quantity of vehicles on the basis of its current needs. The leased vehicles are identified by their license plate numbers and the leasing companies are not allowed to replace the vehicles, except if vehicles are faulty. The leased vehicles are used by the employees of the headquarters of the Group, marketing and sales personnel and other employees who have employment contracts that contain provisions requiring the Group to place a vehicle at their disposal. In addition, the Company leases trucks from a number of leasing companies, for periods of up to seven years. The trucks are used by the Company's Logistics Department for shipping purposes.

## Notes to the Consolidated Financial Statements

## Note 30 – Leasing (cont'd)

## (1) Information pertaining to material leasing agreements (cont'd)

- b. The Company leases land in Netanya from the parent company, for a period up to 2034. The land covers an area of 10 dunams and is located near the Company's premises in Netanya. In addition, the Group leases offices and warehouses for use in its business activity, for periods of between two to sixteen years. These periods contain options to extend the leasing agreements and it is reasonable to assume that the options will be exercised.
- c. Barkan Wineries leases vineyards from various landowners for use in growing grapes. The lease periods in the agreements range from between nine years to twenty two years and they include options to extend the leasing periods. It is reasonable to assume that such options will be exercised.

## (2) Right-of-usage assets (presented as part of fixed assets)

Composition

	Property and office space	Vineyards	Vehicles	Total
	NIS'000	NIS'000	NIS'000	NIS'000
<b>Balance as at January 1, 2024</b>	60,200	30,082	50,831	141,113
Additions (*)	31,423	473	70,502	102,398
Disposals	(2,333)	-	(5,595)	(7,928)
Impact of changes in exchange rates	-	-	(287)	(287)
Depreciation in respect of right-of-usage assets	(13,063)	(2,785)	(31,848)	(47,696)
<b>Balance as at December 31, 2024</b>	76,227	27,770	83,603	187,600
Additions (*)	29,538	323	34,195	64,056
Disposals	(2,737)	-	(3,371)	(6,108)
Impact of changes in exchange rates	-	-	(8)	(8)
Depreciation in respect of right-of-usage assets	(14,489)	(2,826)	(35,572)	(47,696)
<b>Balance as at December 31, 2025</b>	<b>88,539</b>	<b>25,267</b>	<b>78,847</b>	<b>192,563</b>

(\*) Including linkage differentials carried to the right of usage asset in an amount of NIS 3,834 thousand (2024 – NIS 5,303 thousand).

## (3) Leasing liabilities

Analysis of the maturity dates of the leasing liabilities of the Group

	December 31, 2025
	NIS'000
Up to one year	48,175
Between one and two years	41,544
Between two and four years	44,928
More than four years	71,157
<b>Total</b>	<b>205,804</b>

## Notes to the Consolidated Financial Statements

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### Note 30 – Leasing (cont'd)

#### (4) Additional information regarding leasing liabilities Amounts recognized in profit and loss

	Year ended December 31, 2025	Year ended December 31, 2024	Year ended December 31, 2023
	NIS'000	NIS'000	NIS'000
Interest expenses in respect of leasing liabilities	9,589	8,551	4,569

### Note 31 – Segment reporting

The accounting principles applied in the segment reporting are in agreement with the accepted accounting principles adopted for purposes of preparation and presentation of the consolidated financial statements of the Group.

#### Business segments

The Company is engaged in four segments:

- Light Alcoholic beverages – manufacture, import, marketing and distribution of light alcoholic beverages.
- Alcoholic beverages – import, marketing and distribution of alcoholic beverages.
- Non-alcoholic beverages – manufacture, import, marketing and distribution of various non-alcoholic beverages.
- Barkan segment – manufacture, importing and marketing of wine and alcoholic beverages.

The segmental results are the gross profit, less selling and marketing expenses.

Further to the completion of the acquisition of 60% of GBC's shares (as described in Note 8L above), the manner in which the results of the operating segments are reported to the Chief Operating Decision Maker (hereinafter: the "CODM") has changed, so that the expenses in connection with the amortization of the surplus cost recognized in business combinations in which subsidiaries with independent business activities separate from the Company's activities (including GBC) are acquired, are not reviewed by the CODM, as part of the results of the operating segments that are reported to him on an ongoing basis. These expenses are included in the adjustments of the results of the operating segments in the consolidated financial statements.

The above has no material effect on the comparison numbers.

## Notes to the Consolidated Financial Statements

## Note 31 – Segment reporting (cont'd)

	Year ended December 31, 2025						Consolidated NIS'000
	Light Alcoholic Beverages	Alcoholic Beverages	Barkan	Non-alcoholic Beverages	Other	Amortization of surplus cost in respect of business combinations	
	NIS'000	NIS'000	NIS'000	NIS'000	NIS'000	NIS'000	
Segmental revenues	448,997	401,500	195,307	1,448,583	309,740	-	2,804,127
Gross profit	181,532	82,419	66,039	526,136	86,537	(1,614)	941,049
Segmental results	95,104	48,505	37,513	195,437	25,799	(7,175)	395,183
Unallocated expenses							(151,031)
Operating income							244,152
Net financing expenses							(70,692)
Share of Company in profits of equity- accounted investee companies							346
Taxes on income							(44,789)
Net income for the year							129,017
Depreciation and amortization	29,189	93	26,776	21,880			

	Year ended December 31, 2024						Consolidated NIS'000
	Light Alcoholic Beverages	Alcoholic Beverages	Barkan	Non- alcoholic Beverages	Other		
	NIS'000	NIS'000	NIS'000	NIS'000	NIS'000		
Segmental revenues	449,506	415,850	192,734	1,289,253	157,950		2,505,293
Gross profit	162,670	75,391	66,122	463,508	22,522		790,213
Segmental results	71,665	48,960	37,019	164,853	(10,939)		311,558
Unallocated expenses							(125,107)
Operating income							186,451
Net financing expenses							(37,399)
Share of Company in losses of equity- accounted investee companies							(5,944)
Taxes on income							(36,491)
Net income for the year							106,617
Depreciation and amortization	29,108	257	25,707	22,718			

## Notes to the Consolidated Financial Statements

## Note 31 – Segment reporting (cont'd)

	Year ended December 31, 2023					Consolidated NIS'000
	Light Alcoholic Beverages	Alcoholic Beverages	Barkan	Non- alcoholic Beverages	Other	
	NIS'000	NIS'000	NIS'000	NIS'000	NIS'000	
Segmental revenues	404,231	369,075	180,379	982,753	57,563	1,944,001
Gross profit	142,724	76,514	62,791	326,474	9,906	618,409
Segmental results	54,940	46,893	35,170	90,754	(2,988)	224,769
Unallocated expenses						(88,155)
Operating income						136,614
Net financing expenses						(42,716)
Share of Company in losses of equity- accounted investee companies						(7,159)
Taxes on income						(15,956)
Net income for the year						70,783
Depreciation and amortization	25,535	311	24,327	18,129		

## Note 32 – Subsequent events

## A. Planned investment in Timnat Energy Ltd.

Subsequent to the date of the statement of financial position, on March 3, 2026, the Company entered into a non-binding Memorandum of Understanding (hereinafter: the "MOU") with Timna Energy Ltd. (hereinafter: the "Target Company"), in connection with a future investment in the Target Company (hereinafter: the "Transaction").

Pursuant to the MOU, subject to the signing of a binding agreement and the fulfillment of various preconditions, the Company will invest a total of NIS 60 million in the target company in exchange for 20% of the target company's share capital (fully diluted).

The investment is expected to be made partly in cash and partly through the merger of a wholly-owned subsidiary of the company, which holds the rights to projects in the field of agro-solar and energy storage, into the target company.

Furthermore, the Company provided the target company with an autonomous guarantee in an amount of up to NIS 25 million in favor of a financing bank in connection with an energy storage project in Bulgaria of a project company related to the target company. If the transaction is consummated, the guarantee amount will be considered as part of the total investment amount in the target company.

As of the date of approval of the financial statements, there is no certainty that the transaction will be consummated.

B. Subsequent to the date of the statement of financial position, on March 26, 2026, the board of directors passed a resolution to distribute a cash dividend to the shareholders, in an amount of NIS 60 million. The dividend will be distributed on April 30, 2026.