



Financial Statements as of 31 March 2024

Electra Consumer Products (1970) Ltd

Electra Consumer Products (1970) Ltd.

Legal Disclaimer

The attached is a convenience translation of the Board of Directors report on the state of the corporation's affairs, the consolidated statement of financial position, the consolidated statements of profit and loss ("P&L"), the consolidated statements of comprehensive income, the consolidated statements of changes in equity, and the consolidated statements of cash flows as of 31 March 2024 for Electra Consumer Products (1970) Ltd. (the "Company") published by the Company through the MAGNA filing system (the "Hebrew Version"). This English version is partial and for convenience purposes only. This is not an official translation and has no binding effect. Whilst reasonable care and skill have been exercised in the preparation hereof, no translation can ever perfectly reflect the Hebrew Version. In the event of any discrepancy between the Hebrew Version and this translation, the Hebrew Version shall prevail.

Electra Numbers



~ **1.8B**
Revenues



~ **162M**
EBITDA



~ **1.03B**
Total company equity



~ **841M**
Financial debt
(net of IFRS 16)



7.1K
Number of employees



iiAA-
S&P Rating



329
Branches



7.9B
Total company balance sheet



131k
Credit card carrefour club holders



60M
Yearly transactions rate

Sports and Leisure Segment



101
Number of branches



148
Number of branches



80
Number of branches



16 branches



24 branches



42 branches



26 branches



92 branches



30 branches



2 branches



20 branches



58 branches



4 branches



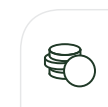
2 branches



13 branches



171K sq.m.
Commercial space



46K sq.m.
Commercial space



30K sq.m.
Commercial space



26.8%
Percent change in same stores in the reporting period
(including carrefour converted stores)



19.3%
Percent change in same stores in the reporting period



18%
Percent change in same stores in the reporting period



53.4%
Percent Change in Same Stores in the reporting period
(Carrefour converted store)

Electra Consumer Products (1970) Ltd.

Board of Directors Report For the three months ended at 31 March 2024

The board of directors of Electra Consumer Products (1970) Ltd. respectfully submits the Board of Directors report on the Company's and its consolidated companies' business affairs (hereinafter: the "Group") for the three-month period ended at 31 March 2024 (hereinafter: the "reporting period"). The review, which is presented below, is of a limited scope and relates to events and changes that occurred in the Company's affairs during the reporting period, and it should be examined together with the periodic report for the year ended at 31 December 2023 (the "Company's 2023 Periodic Report").

1. General

1.1 Description of the Group's business

The Group operates in five fields, which are also reported as operating segments in its financial statements, as set forth below:

Electrical consumer-products segment – import, export, marketing, sale, and distribution of electrical consumer products and rendering service for these products.

Electrical retail segment– operation of retail chains for the sale of electrical consumer products and cellular telephones and accessories through "Mahsanei Hashmal," "Shekem Electric," and "Shekem Duty."

Retail food segment - Operation of the Global Retail C.I. Ltd. chain, a retail marketing chain for food products and other consumables, that operates under Carrefour brands as well as operation of the 7-Eleven chain.

Sports and leisure segment - operation of chains for the marketing, import, manufacture, and distribution of equipment and clothing and footwear for travellers, camping, skiing, and snowboarding, outdoor sports, as well as the operation of a franchise chain under the Adidas brand (hereinafter: "Adidas").

Investment real estate segment – development and construction of investment property.

1.2 Description of the Company's business environment and trends

1.2.1 Summary of Financial Results with and Net of the Food Segment During the reporting period

During the reporting period, there was an increase in revenues amounting to NIS 1,759,091,000 compared to NIS 1,469,526,000 in the previous year, **an increase of 19.7% compared to the parallel period of the previous year.**

Operating income before other expenses, net, and reorganisation revenues came to NIS 66 million during the first quarter of 2024, and the Company's operating income before other expenses, net, amounted to NIS 13 million, **an increase of 398.4% compared to the parallel period of the previous year.**

Net income for the majority shareholders amounted to NIS 18.6 million in the first quarter of 2024, as compared with a loss of NIS 10.5 million in the parallel period of the previous year. **After neutralisation of the food segment, net income for the majority shareholders amounted to NIS 36.2 million in the first quarter of 2024, an increase of 51.9% compared with the parallel period of the previous year** (see Section 1.2.3 to this Board of Directors report for an analysis of the Company's results net of the food segment.)

Electrical consumer products segment:

Segmental income during the first quarter of 2024 came to NIS 302 million and reflects a decrease of 12.9% compared to the parallel period last year.

Segmental income before other expenses, net came to NIS 29 million during the first quarter of 2024, compared to segmental income of NIS 36.7 million in the parallel period of the previous year.

Sales in the air conditioning and climate systems sector experienced a decline in the first quarter of 2024 compared to the parallel period in the previous year, totalling NIS 44 million, reflecting a decrease of about 17%. This decline is primarily due to a reduction in export sales amounting to NIS 24 million, resulting from regulatory changes and a reduction in subsidies in Europe. Additionally, in the air conditioning sector in the domestic market, sales decreased by NIS 13 million, reflecting a decline of about 7%. This was mainly due to a change in the sales mix in the local market as a result of the impact of the Iron Swords War, particularly on the delivery of new apartments. Additionally, the same period last year included sales from solar activities amounting to NIS 7 million, which were excluded from consolidation during the second quarter of last year.

For additional details regarding regulatory changes in Europe in the heating systems segment, see Section 1.3.4 below.

Electrical retail segment:

Segmental income during the first quarter of 2024 came to NIS 570 million and reflects an increase of 17.7% compared to the parallel period last year. This is despite the closure of the duty-free shop in Terminal 1 and a significant decline in the activity of the second shop in Terminal 3 due to the impacts of the Iron Swords War.

The sales in the same stores in the electrical retail segment that fully operated in the first quarter of 2024 increased by 19.3% in comparison to the parallel period of the previous year. **The sales in the same stores in the electrical retail segment, net of the duty free stores that fully operated in the first quarter of 2024 increased by 25.7% in comparison to the parallel period of the previous year.**

Excluding sales from duty-free shops, sales in identical stores that operated fully from January to April increased by 32.6% compared to the parallel period of the previous year.¹

Segmental income before other expenses, net came to NIS 29.8 million during the first quarter of 2024, an increase of 63.1% compared to the parallel period of the previous year, and its rate exceeded 5% of the segment's sales.

Retail food segment:

Segmental income during the first quarter of 2024 came to NIS 795 million and reflects an **increase of 30.6% compared to the parallel period last year.** The sales in the same stores in the segment that fully operated in the reporting period (including stores that have been converted to Carrefour) **increased in comparison to the parallel period of the previous year by approximately 26.8%. Sales at stores that have been converted to Carrefour and were fully operational during the first quarter of 2024 increased during this quarter by a rate of 53.4% compared to these stores' revenues in the parallel period in the previous year.**

Annual average sales per square metre amounted to NIS 27,528 during the first quarter of 2024 (including stores that have been converted to Carrefour), as compared with an annual average of NIS 21,205 per square metre in the parallel period of the previous year.

Annual average sales per square metre in Carrefour stores that were fully operational amounted to NIS 36,244 per square metre during the first quarter of 2024, as compared with NIS 25,081 per square metre in the parallel period of the previous year and reflect an increase of 44.4%.

Segmental losses, before other expenses, net, amounted to NIS 0.3 million in the first quarter of 2024, as compared with a loss, net of other expenses, net, of NIS 41.2 million in the parallel period of the previous year. The segment's results in the first quarter of 2024, excluding the losses of the 7-ELEVEN chain, which may be classified as discontinued operations starting from the second quarter of 2024, and excluding other expenses and reorganisation revenues, amounted to a profit of NIS 4.3 million (for further details, see Section 1.3.3 below).

Further to the previous quarter, Global Retail is presenting positive EBITDA net of IFRS 16 in the sum of NIS 8 million, compared with a negative EBITDA net of IFRS 16 in the sum of NIS 37 million in the parallel quarter of the previous year.

¹ Due to the timing of Passover, the Company presents the data for the months of January to April.

The Company is currently continuing the conversion of additional stores to Carrefour (as of 31 March 2024, 85 stores have been converted and as of the reporting date, 92 stores have been converted), and is working on increasing profitability and streamlining at all levels. Similarly, the Company restored all of its online operations and is working on broadly reducing staffing and costs in this area. (See Note 29 to the Company's 2023 consolidated financial statements (the "consolidated annual financial statements") with respect to the classification of the results of the online partnership with Quik as discontinued operations and with respect to the extensive streamlining plan in this area.)

For details regarding discussions on exploring various options for terminating the 7-ELEVEN operations in Israel and the agreement for the sale of the operations after the financial position report, see Section 1.3.3 below.

The Company's assessments regarding the completion of the transaction according to its terms, including fulfilment of the conditions precedent, the completion date of the transaction, and the classification of the activity as discontinued operations, constitute "forward-looking information," as defined in the Securities Law. This information is based, inter alia, on the Company's assessments in light of the conditions set forth in the agreement and the ongoing negotiations with 7-ELEVEN International, which may also be influenced by factors beyond the Company's control. The Company's assessments may not materialise, or may materialise differently, in whole or in part, and even substantially so, from what is forecast as a result of a number of factors that are outside the Company's control and/or are known to it on the reporting date and/or the Company's business environment and/or as a result of the materialisation of all or part of the risk factors as described in Section 25 of Part A of the Company 2023 periodic report.

Sports and leisure segment:

Segmental income during the first quarter of 2024 came to NIS 124 million, an increase of 72.1% compared to the parallel period last year.

The revenues of Sa'ar A.T. Entrepreneurship and Trade Co. Ltd ("Sa'ar") from its wholesale operations increased during the first quarter of 2024, primarily as a result of the Iron Swords War and an increase in sales per metre at Sa'ar stores, to the sum of NIS 82 million, compared to the sum of NIS 61 million in the parallel period in the previous year, constituting an increase of 34%. Revenues from the Adidas brand increased by NIS 30 million compared to the parallel period of the previous year. This growth was primarily due to the addition of 26 brand stores starting from January 1, 2024, as well as an increase in sales per metre.

Sales turnover in the sports and leisure segment amounted in January-April to NIS 165 million in the reporting period, as compared with NIS 88 million in the parallel period of the previous year, which constitutes an **increase of approximately 87%**.

The sales in the same stores in this segment at Sa'ar that operated fully in the first quarter of 2024 increased by approximately 17% as compared to the parallel period of the previous year. The proforma sales in the Adidas same stores increased by approximately 25% as compared to the parallel period of the previous year.

Segmental income before other expenses, net came to NIS 13.2 million during the first quarter of 2024, compared to segmental income of NIS 6.3 million in the parallel period of the previous year.

The increase in sales derives from increased wholesale operations, primarily as a result of the Iron Swords War, as well as the continued expansion of the operations of Adidas by means of the opening of new stores as of the first quarter of 2024.

(See Section 4 below for additional details in connection with reporting on business segments.)

It should be clarified that the financial data for the month of April are the Company's management estimates and have not been reviewed and/or audited by the Company's external auditor.

1.2.2 The Iron Swords War

During the first quarter of 2024, there was no significant change in the impact of the Iron Swords War on the Company's operating segments, as mentioned in Note 1E of the consolidated annual financial statements, except for the implications of the Turkish government's announcement on export restrictions to Israel in several categories, including the import of electrical consumer products. According to the Company's assessment, this is not expected to have a material impact on the Company's operations.

The Company's assessments regarding the impact of the Iron Swords War, including the implications of the Turkish government's announcement, constitute "forward-looking information," as defined in the Securities Law, 1968. These assessments are based, inter alia, on the information available to the Company as of the reporting date, the Company's estimates considering past experience and the knowledge it has accumulated, as well as various assessments regarding the state of the markets in which the Company operates and the impact of external factors beyond the Company's control. The Company's assessments or their scope may not materialise, or may materialise differently, in whole or in part, and even substantially so, from what is forecast as a result of a number of factors that are outside the Company's control and/or are known to it on the reporting date and/or the Company's business environment and/or as a result of the materialisation of all or part of the risk factors as described in Section 25 of Part A of the Company 2023 periodic report.

1.2.3 Summary of financial results with and without the impact of the food segment during the reporting period

Below is a summary of the Company's financial results for the first quarter and the year with and without the food segment and for the food segment:

	Consolidated		Consolidated without the Retail food segment	
	For the three months ended at 31 March			
	NIS Thousands			
	2024	2023 (*)	2024	2023
Sales	1,759,091	1,469,526	963,916	860,832
Operating income before other expenses, net, and reorganisation revenues	65,893	13,221	66,152	54,412
EBITDA	161,534	97,263	100,570	83,564
Income (loss) before tax	14,647	(38,613)	51,758	33,477**)
Net income (loss) from continuing operations	2,647	(44,944)	40,489	27,146**)
Loss from discontinued operations	-	(7,723)	-	-
Net income (loss)	2,647	(52,667)	40,489	27,146**)
Net income (loss) attributed to Company shareholders	18,576	(10,511)	36,201	23,837**)

(*) Reclassified – See Note 29 to the annual consolidated financial statements for additional details regarding the reclassification of Quik's operations as discontinued.

(**) Reclassified.

	Retail food segment	
	For the three months ended at 31 March	
	NIS Thousands	
	2024	2023 (*)
Sales	795,175	608,694
Operating loss before other expenses, net, and reorganisation revenues	(259)	(41,191)
EBITDA	60,964	13,699
Loss before tax	(37,111)	(72,090)
Loss from continuing operations	(37,842)	(72,090)
Loss from discontinued operations	-	(7,723)
Loss	(37,842)	(79,813)
Loss attributed to Company shareholders	(17,625)	(34,348)

(*) Reclassified – See Note 29 to the annual consolidated financial statements for additional details regarding the reclassification of Quik's operations as discontinued.

For additional details in connection with the food segment results, see Section 4.5.3 below.

1.3 Principal events during the reporting period and thereafter

1.3.1 Matters relating to the Global Retail C.I. Ltd. Group

After reaching an agreement with two banking corporations regarding the warrants allocated to them, which are exercisable into shares of Global Retail, the cancellation of the warrants, the payment of the first portion of the consideration to the banks, and the investor's investment of NIS 80 million at the beginning of March 2024, the transaction was completed. The investor now holds 16% of the share capital of Global Retail, while the Company holds 48%. As a result of the investor transaction mentioned above, the investments by existing shareholders in Global Retail (including the Company) as part of the investor transaction and the completion of agreements with the two banking corporations mentioned, a total of NIS 180 million was injected into Global Retail, and its equity increased by NIS 247 million.

During April 2024, Electra Consumer Products (a wholly owned subsidiary of the Company) purchased 4,000 shares of Global Retail from Mr. Michael Loboschitz, Chief Financial Officer of Global Retail. Following the purchase, the Company holds 49.38% of the shares of Global Retail. Additionally, on 11 April 2024, Global Retail allocated 4,000 options to the aforementioned CFO under the Global Retail options plan.

For details regarding other matters related to Global Retail, see Notes 4(a), 10(b), and 10(e) in the consolidated interim financial statements.

1.3.2 On 21 January 2024, the Company made a private offering of NIS 199.431 million par value of the Company's (Series A) bonds by way of an expansion of a registered series for total gross proceeds of NIS 179.9 million and an effective interest rate of 5.38%.

The credit rating agency, Ma'alot, set a rating of iIAA- for the expansion of the Company's bond series (Series A).

1.3.3 Electra Convenience Stores Ltd. (a wholly-owned subsidiary of the Company) (the "second-tier subsidiary"), which holds a franchise agreement to operate a chain of stores under the 7-ELEVEN brand in Israel (the "operations"), and 7-ELEVEN International are in discussions to explore various options for terminating the operations in Israel.

On 16 May 2024, the second-tier subsidiary and Saban Express Ltd. (the "buyer") executed an agreement under which the second-tier subsidiary will sell and transfer to the buyer all of its rights and liabilities in the leased properties (8 stores) where it operates the chain's stores, based on lease agreements, including the equipment and inventory therein (the "assets"). Consequently, the seller will cease operating the 7-ELEVEN chain in Israel. The transferred branches will operate in the buyer's format. In consideration for the purchase of the assets, the buyer will pay the seller a total of NIS 3.36 million. Completion of the transaction is subject to the fulfilment of conditions precedent, including the receipt of a legal opinion in the field of competition law, which was received on 26 May 2024, and is expected to be completed in the third quarter of 2024.

In light of the above, regarding the ongoing negotiations with the international company and the sales transaction, beginning from the second quarter of 2024, the Company may present the 7-ELEVEN operation as discontinued operations.

The Company's assessments regarding the completion of the transaction according to its terms, including fulfilment of the conditions precedent, the completion date of the transaction, and the classification of the activity as discontinued operations, constitute "forward-looking information," as defined in the Securities Law, 1968. This information is based on the Company's assessments in light of the conditions set forth in the agreement, the ongoing negotiations with 7-ELEVEN International, which may also be influenced by factors beyond the Company's control, including risk factors involved in its operations. Accordingly, there is no certainty that what is stated above will be realised, and the actual results may significantly differ from the assessments that are set forth above.

1.3.4 Regulatory changes in Europe in the heating systems segment

In light of recent regulatory changes regarding the standards and permissible gas for use in heat pump systems in Europe, as well as the reduction of tariffs on imported cooling systems in the country, the management of the Company's second-tier subsidiary, which holds the manufacturing operations for cooling and heating systems, is examining the continuation of the factory's operations and its mode of operation. To evaluate the above, the management of the second-tier subsidiary is considering various options while formulating and establishing estimates related to future manufacturing operations. As at the date of execution of the financial statements, the evaluation of the various options has not yet been completed, and no decision has been made on the matter.

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

The board of directors' explanations of the Company's business affairs

2. Financial position:

The following is a concise summary of the consolidated balance sheets (in NIS Thousands):

	As at 31 March		As at
	2024	2023	31 December 2023
	NIS Thousands		NIS Thousands
Current assets	2,482,276	2,449,615	2,186,246
Non-current assets	5,447,492	4,689,609	4,822,830
Total assets	7,929,768	7,139,224	7,009,076
Current liabilities	3,218,345	2,999,371	3,136,572 *)
Non-current liabilities	3,679,006	2,959,449	2,870,026 *)
Total equity	1,032,417	1,180,404	1,002,478
Total liabilities and equity	7,929,768	7,139,224	7,009,076

*) Reclassified.

Assets

- 2.1** The total current assets amounted to approximately NIS 2,482 million as at 31.03.2024, as compared with approximately NIS 2,186 million as at 31.12.2023. The increase in current assets primarily derived from an increase in the balance of deposits, an increase in inventory balances resulting from stocking up for Passover and stocking up on air conditioner inventory for the summer season, partially offset by a decrease in the inventory of Sa'ar A.T. Entrepreneurship and Trade Ltd. due to increased sales in the first quarter of the year across all sectors in which Sa'ar operates, an increase in customer balances primarily due to increased sales, and an increase in other receivables.
- 2.2** The total non-current assets amounted to approximately NIS 5,447 million as at 31.03.2024, as compared with approximately NIS 4,823 million as at 31.12.2023. The increase was mainly due to a rise in the right-of-use assets item, resulting from the extension of lease agreements in numerous Carrefour branches, and an increase in the intangible assets item, primarily due to the update of the franchise agreement with Carrefour.

Liabilities

- 2.3** The total current liabilities amounted to NIS 3,218 million as of 31.12.2024, as compared with NIS 3,137 million as of 31.12.2023. The increase in current liabilities was primarily due to a rise in the balance of suppliers, primarily due to stocking up on inventory, and an increase in the other payables item, partially offset by a decrease in credit from banking corporations, mainly in the Global Retail Group, which was primarily due to the repayment of short-term loans, as a result of the capital raising in the Global Retail Group in the first quarter of 2024.
- 2.4** The total non-current liabilities amounted to NIS 3,679 million as at 31.03.2024, as compared with NIS 2,870 million as at 31.12.2023. The increase in non-current

liabilities was primarily due to a rise in the leasing liabilities item, resulting from the extension of lease agreements in numerous Carrefour branches, corresponding to a parallel increase in the right-of-use assets item as mentioned above, and an increase in the bonds item due to the expansion of the bond series during the reporting period, as mentioned.

Shareholder equity

2.5 Shareholder equity as at 31.03.2024 amounted to NIS 1,032 million (including noncontrolling interests of NIS 397 million), as compared with NIS 1,002 million as at 31.12.2023 (including noncontrolling interests of NIS 370 million). The increase in equity during the reporting period was primarily due to a total profit of NIS 4.5 million and the issuance of share capital to noncontrolling interests in a consolidated company amounting to NIS 92 million, partially offset by a share buyback of the Company's shares amounting to NIS 4.5 million and transactions with noncontrolling interests amounting to NIS 63 million, resulting from the capital raising in the Global Retail Group in the first quarter of 2024 and reaching an agreement with two banking corporations regarding the warrants allocated to them, which are exercisable into shares of Global Retail, as mentioned.

Financial debt, net

2.6 The Company's financial debt, net amounted to NIS 3,355 million as at 31.03.2024, as compared with financial debt, net of NIS 2,796 million as at 31.12.2023. The increase in net financial debt was mainly due to the extension of lease agreements in numerous Carrefour branches, as mentioned above.

2.7 The Company's financial debt, net, after eliminating leasing liabilities (IFRS 16), amounted to a financial debt, net, of NIS 841 million as at 31.03.2024, as compared with a financial debt, net, of NIS 878 million as at 31.12.2023.

2.8 Segmental assets and liabilities

	31 March 2024					
	Electrical consumer products segment	Electrical retail segment	Retail food segment	Sports and leisure segment	Investment property, adjustments and other segment	Total
	NIS Thousands					
Current assets	952,625	649,330	464,653	262,927	152,741	2,482,276
Non-current assets	298,982	449,546	3,881,006	460,562	357,396	5,447,492
Current liabilities	481,284	1,115,955	1,423,705	230,361	(32,960)	3,218,345
Non-current liabilities	131,480	298,876	2,385,431	243,990	619,229	3,679,006
Financial asset (debt), net	74,010	(207,245)	(2,419,902)	(313,586)	(488,266)	(3,354,989)
Financial asset (debt), net (without IFRS 16)	86,600	(5,257)	(390,372)	(43,858)	(488,266)	(841,153)

**The Board of Directors Report on the State of the Corporation's Affairs
For the period ended at 31 March 2024**

31 March 2023						
	Electrical consumer products segment	Electrical retail segment	Retail food segment	Sports and leisure segment	Investment property, adjustments and other segment	Total
NIS Thousands						
Current assets	<u>1,197,639 *)</u>	<u>655,483</u>	<u>510,295</u>	<u>169,375</u>	<u>(83,177) *)</u>	<u>2,449,615</u>
Non-current assets	<u>236,836</u>	<u>415,620</u>	<u>3,320,194</u>	<u>311,260</u>	<u>405,699</u>	<u>4,689,609</u>
Current liabilities	<u>555,129</u>	<u>986,699</u>	<u>1,394,201</u>	<u>130,184</u>	<u>(66,842)</u>	<u>2,999,371</u>
Non-current liabilities	<u>142,066</u>	<u>199,268</u>	<u>1,849,173</u>	<u>164,868</u>	<u>604,074</u>	<u>2,959,449</u>
Financial asset (debt), net	<u>(16,990)</u>	<u>(137,434)</u>	<u>(1,873,216)*</u>	<u>(211,453)</u>	<u>(458,979) *)</u>	<u>(2,698,072)</u>
Financial asset (debt), net (without IFRS 16)	<u>(805)</u>	<u>56,865</u>	<u>(345,070) *)</u>	<u>(40,417)</u>	<u>(458,979) *)</u>	<u>(788,406)</u>

*) Reclassified.

31 December 2023						
	Electrical consumer products segment	Electrical retail segment	Retail food segment	Sports and leisure segment	Investment property, adjustments and other segment	Total
NIS Thousands						
Current assets	<u>972,459</u>	<u>497,676</u>	<u>495,895</u>	<u>241,540</u>	<u>(21,324)</u>	<u>2,186,246</u>
Non-current assets	<u>308,826</u>	<u>529,697</u>	<u>3,246,632</u>	<u>463,528</u>	<u>274,147</u>	<u>4,822,830</u>
Current liabilities	<u>370,455</u>	<u>971,552</u>	<u>1,590,366 *)</u>	<u>247,346</u>	<u>(43,147)</u>	<u>3,136,572</u>
Non-current liabilities	<u>131,439</u>	<u>231,300</u>	<u>1,863,790 *)</u>	<u>247,806</u>	<u>395,691</u>	<u>2,870,026</u>
Financial asset (debt), net	<u>88,309</u>	<u>(193,647)</u>	<u>(1,890,884)</u>	<u>(326,256)</u>	<u>(473,762)</u>	<u>(2,796,240)</u>
Financial asset (debt), net (without IFRS 16)	<u>102,186</u>	<u>4,224</u>	<u>(455,683)</u>	<u>(54,819)</u>	<u>(473,763)</u>	<u>(877,855)</u>

*) Reclassified.

3. Results of activities by quarter:

3.1 Summary of business results by quarter (in NIS Thousands):

	Quarter		Quarter		For the year ended at	
	1-3/2024	(*)	1-3/2023	(*)	December 31	(*)
					2023	
Revenues from sales and provision of services	1,759,091		1,469,526		6,504,971	
Cost of sales and provision of services	(1,242,929)		(1,039,179)		(4,669,738)	
Gross profit	516,162	29.3%	430,347	29.3%	1,835,233	28.2%
Selling and marketing expenses	(422,292)		(391,748)		(1,631,638)	
Administrative and general expenses	(24,716)		(23,042)		(94,117)	
Research and development expenses	(2,696)		(2,018)		(8,035)	
Group's share in losses of companies treated according to the equity method, net	(565)		(318)		(962)	
Operating income before other expenses, net, and reorganisation revenues (expenses)	65,893	3.7%	13,221	0.9%	100,481	1.5%
Other expenses, net	(6,356)		(2,517)		(61,112)	
Reorganisation revenues (expenses)	5,630		-		(51,758)	
Operating income (loss) after other expenses, net, and reorganisation revenues (expenses)	65,167		10,704		(12,389)	
Financing income	4,314		3,072		11,208	
Financing expenses	(54,834)		(52,389)		(222,940)	
Income (loss) before taxes on income	14,647		(38,613)		(224,121)	
Taxes on income	(12,000)		(6,331)		(11,160)	
Net income (loss) from continuing operations	2,647		(44,944)		(235,281)	
Loss from discontinued operations	-		(7,723)		(46,377)	
Net income (loss)	2,647		(52,667)		(281,658)	
Net income (loss) attributed to Company shareholders	18,576		(10,511)		(101,263)	

(*) Percentage of turnover

3.2 Revenues

The Group's revenues amounted to NIS 1,759 million in the first quarter of 2024, as compared with NIS 1,470 million in the parallel period of the previous year, an increase of approximately 19.7%. The increase in sales turnover was primarily due to the growth

in sales in the electrical retail segment, mainly from increased sales in identical branches, the increase in sales in the food segment mostly from branches converted to the Carrefour chain starting from the second quarter of the previous year, and the growth in sales in the sports and leisure segment, mainly due to increased sales by Sa'ar, primarily from increased sales to wholesalers as a result of the Iron Swords War and increased sales per metre in Sa'ar stores. Additionally, the growth in Adidas brand sales was primarily due to the acquisition of 26 stores consolidated starting from 1 January 2024 and increased sales per metre in Adidas branches, partially offset by a decline in sales in the electrical consumer products segment, mainly due to a decrease in export sales of heating systems as a result of regulatory changes and a reduction in subsidies in Europe. (See Section 4 below for additional details in connection with reporting on business segments.)

3.3 Gross profit

The gross profit in the first quarter of 2024 amounted to NIS 516 million, as compared with NIS 430 million in the parallel period of the previous year, an increase of approximately 19.9%. The gross profit rate in the first quarter of 2024 stood at 29.3% of the sales turnover, identical to the parallel period of the previous year. The increase in gross profit primarily derived from an increase in electrical retail sales, an increase in food segment sales turnover, and an increase in sports and leisure segment sales turnover that was partly offset by a decrease in gross profit in the electrical consumer products segment. (See Section 4 below for additional details in connection with reporting on business segments.)

3.4 Selling and marketing expenses

Selling and marketing expenses amounted to NIS 422 million (24.0% of sales turnover) in the first quarter of 2024, as compared with NIS 392 million (26.7% of sales turnover) in the parallel period of the previous year. The increase in expenses primarily derived from an increase in sales and marketing expenses in the retail electrical retail segment and the sports and leisure segment due to an increase in sales turnover and the opening of new branches. (See Section 4 below for additional details in connection with reporting on business segments.)

3.5 Administrative and general expenses

Administrative and general expenses amounted to NIS 25 million (1.4% of sales turnover) in the first quarter of 2024, as compared to NIS 23 million (1.6% of sales turnover) during the parallel period of the previous year.

3.6 Operating income before other expenses, net, and reorganisation revenues

Operating income before other expenses, net, amounted to NIS 65.9 million in the reporting period, as compared with approximately NIS 13.2 in the parallel period of the previous year, an increase of 398%, derived from an increase in sales and improvement of results in most of the segments.

3.7 Other expenses, net

Other expenses, net, amounted to NIS 6.4 million in the first quarter of 2024, as compared with other expenses, net, of NIS 2.5 million in the parallel period of the

previous year. The other expenses during the reporting period were mainly due to costs incurred from updating the agreement with the workers' committee in the Global Retail Group.

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

	Quarter 1-3/2024	Quarter 1-3/2023	For the year ended at 31 December 2023
	NIS Thousands		
Income (loss) from disposal of property, plant, and equipment	535	2,052	(1,017)
Impairment of investment property	(861)	(362)	(7,107)
Capital gain from sale of consolidated partnership credit portfolio	-	-	34,242
Fines	-	-	(880)
Transaction costs and consulting expenses for previous years	(5,044)	(3,690)	(12,424)
Impairment of goodwill	-	-	(67,041)
Income from decrease in control in previously partnership	-	-	4,337
Iron Swords War grant	-	-	3,500
Revenues (expenses) from lawsuits	(597)	2,321	999
Setting up the support system for establishment of the Carrefour chain prior to its operation	-	(4,432)	(7,985)
Other	(389)	1,594	(7,736)
Total	(6,356)	(2,517)	(61,112)

3.8 Revenues (reorganisation)

Reorganisation revenues in the first quarter of 2024 amounted to NIS 5.6 million and originated from the food retail segment in the Global Retail Group. This resulted from the decision in the first quarter of 2024 not to close two branches that were included in the reorganisation plan last year. As a result, the provision made in relation to the above was cancelled by reversing the impairment expenses previously recorded for these two branches.

3.9 Operating income after other reorganisation revenues

Operating income amounted to NIS 65.2 million in the first quarter of 2024, as compared with NIS 10.7 million in the parallel period of the previous year. The increase in operating profit after other expenses, net, and reorganisation income was mainly due to the increase in sales and improved results in most sectors, as mentioned above.

3.10 Financing income (expenses), net

Financing expenses, net, amounted to NIS 50.5 million in the first quarter of 2024, as compared with NIS 49.3 in the parallel period of the previous year. The increase in net finance expenses during the reporting period was mainly due to higher interest expenses from new loans taken as of April last year, primarily in the food retail segment,

increased interest expenses resulting from the expansion of the Company's bond series during the reporting period, an increase in loan interest rates due to the rise in the prime interest rate from April last year, increased credit card discounting expenses during the reporting period due to the rise in the prime interest rate, and higher finance expenses under IFRS 16, primarily as a result of new lease agreements. These were partially offset by an increase in interest income from higher deposits during the reporting period and a decrease in exchange rate differences expenses during the reporting period compared to the parallel period in the previous year.

3.11 Income (losses) before taxes on income

Profit before income taxes amounted to approximately NIS 14.6 million in the first quarter of 2024, as compared with a loss before income taxes of approximately NIS 38.6 million in the parallel period of the previous year.

3.12 Taxes on income

Expenditures on taxes on income amounted to NIS 12 million in the first quarter of 2024, as compared with tax expenditures in the sum of NIS 6.3 million in the parallel period of the previous year. The increase in tax expenses primarily derived from an increase in income before tax net of the food segment.

3.13 Loss from discontinued operations

The loss from discontinued operations in the same period last year amounted to NIS 7.7 million and was due to the cessation of Quik's operations.

3.14 Net income (loss)

Net income amounted to NIS 2.6 million in the first quarter of 2024, as compared with net loss of NIS 52.7 million in the parallel period of the previous year. The main change was primarily due to a decrease in the loss in the food retail segment during the reporting period compared to the previous (last year, many branches were closed for a significant amount of time for their conversion and preparation for the launch of Carrefour) and an increase in segmental profit in the electrical retail segment and the sports and leisure segment. (See Section 4 below for additional details in connection with reporting on business segments.)

3.15 Net income (loss) attributable to Company shareholders

Income attributed to the Company's shareholders amounted to NIS 18.6 million in the first quarter of 2024, as compared with a loss attributed to the Company's shareholders amount to the sum of NIS 10.5 million in the parallel period of the previous year.

3.16 EBITDA *)

The EBITDA amounted to approximately NIS 162 million in the first quarter of 2024, as compared with approximately NIS 97 in the parallel period of the previous year, an increase of approximately 66%. The increase in EBITDA was mainly due to growth in the food segment compared to the same period the previous (last year, many branches were closed for a significant amount of time for their conversion and preparation for the launch of Carrefour), as well as growth in the electrical retail segment and the sports and leisure segment, partially offset by a decrease in the electrical consumer products segment.

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EBITDA after neutralisation of the retail food segment amounted to NIS 101 million in the first quarter of 2024, as compared with NIS 84 million in the parallel period of the previous year, reflecting an increase of 20.4%.

EBITDA, after neutralising the effects of IFRS 16, amounted to NIS 74.2 million in the first quarter of 2024, as compared with NIS 22.7 million in the parallel period of the previous year, growth of 227%.

The increase in EBITDA was primarily due to improved results in most segments, as mentioned.

EBITDA after neutralisation of the effects of IFRS 16 and after neutralisation of the retail food segment amounted to NIS 73.2 million in the first quarter of 2024, as compared with NIS 62.6 million in the parallel period of the previous year, reflecting an increase of 16.8%.

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

3.17 Below is a concise summary of retail results:

Condensed results of retail activity for the three months ended 31 March 2024 compared with the corresponding period last year and as at 31 December 2023:

Electrical Retail Field in NIS Thousands		31.3.2024	31.3.203	31.12.2023
General Data				
Number of franchise branches		2	2	2
Number of directly operated branches		80	77	79
Commercial space, gross (m2)		46,188	43,988	45,638
Human Capital	Branches	890	828 (*)	952
	Other	156	125 (*)	94
Results of Operations				
Revenues	Directly operated	570,018	484,441	2,056,240
Cost of sale	Variable costs	432,933	368,083	1,565,375
Rent (according to gross commercial space as set forth above)	After applying IFRS 16 (*)	7,354	11,821	46,690
	Without applying IFRS 16	18,018	21,687	86,329
Total salary costs attributed to retail operations employees (including contract worker expenses)		51,673	42,755 (*)	187,819
Depreciation expenses after applying IFRS 16		12,657	12,284	50,046
Segmental income		29,809	19,170	86,440
Operational working capital (shortfall) (***)		(343,293)	(254,984) (*)	(326,699)
Data With Regard to Redemption and Sales				
Revenues per square metre - month average in NIS thousands		3.53	3.32 (*)	3.4
Change in revenues from same stores (%) (****)		19.3%	10.8%	4.4%

*) Reclassified.

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

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

(****) For an explanation of the change percentage in revenues from same stores, see Section 4.5(2) to the Board of Directors report as at 31 March 2024.

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Change	For the quarter ending		
	31.3.2024	31.3.2023	31.12.2023
Group growth			
Percent change in commercial/sales floor space	5%	2.4%	3.7%
Percent change in same store sales (*)	19.3%	10.8%	4.4%

(*) For an explanation of the change percentage in revenues from same stores, see Section 4.5(2) to the Board of Directors report as at 31 March 2024.

Retail Food in NIS Thousands (**)		31.3.2024	31.3.2023	31.12.2023
General data				
Number of directly-operated stores		148	150	149
Commercial space, gross (sq. m)		171,291	172,785	171,184
Commercial space, net (sq. m)		113,024	113,810	112,591
Human capital	Stores	4,191	4,477 (*)	4,204
	Other	88	83	92
Operations Results				
Revenues	Directly operated	777,751	603,346 (*)	2,996,798
	Other income	12,221	3,512	33,068
Cost of sale	Variable costs	562,553	422,007 (*)	2,148,995
Rent (according to gross commercial space as set forth above)	After application of IFRS 16 (***)	3,670	3,287	19,390
	Without application of IFRS 16	60,582	55,283 (*)	221,096
Total salary costs attributed to retail operations employees (including contract worker expenses)		115,189	119,368 (*)	498,643
Depreciation expenses after application of IFRS 16		60,133	54,320 (*)	226,239
Operating income (loss) (*****)		4,365	(36,728) (*)	(45,387)
Operational working capital (shortfall) (****)		(411,122)	(412,890)	(475,806)
Redemption and sales data				
Annual income per square metre, NIS		27,528	21,205 (*)	26,617(*)
Percent change in revenues from same stores (%) (*****)		26.84%	4.60%	12.09%

*) Reclassified, for details about reclassification for operations that were discontinued, see Note 5 to the interim consolidated financial statements.

(**) The segment results do not include the results of 7-ELEVEN, which are not material to the segment's activity. For further details, see Section 1.3.3 of the Directors' Report as of 31 March 2024.

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

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

(*****) For an explanation of the change percentage in revenues from same stores, see Section 4.5(3) to the Board of Directors report as at 31 March 2024.

(*****) Operating profit and loss for the first quarter of 2024 is presented without the results of 7-ELEVEN. With the addition of 7-ELEVEN results, the segment loss before other expenses and reorganisation amounts to NIS 259,000. Operating profit (loss) is presented before other expenses and reorganisation, with a total amount, including 7-ELEVEN of NIS 104 million in 2023.

Change	For the quarter ending		
	31.3.2024	31.3.2023	31.12.2023
Group growth			
Percent change in commercial/sales floor space	(0.69%)	(1.67%)	(2.1%)
Percent change in same store sales (*)	26.84%	4.60%	12.09%

(*) For an explanation of the change percentage in revenues from same stores, see Section 4.5(3) to the Board of Directors report as at 31 March 2024.

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Sports and Leisure in NIS Thousands		31.3.2024	31.3.2023	31.12.2023
General data				
Number of directly-operated stores		99	65	100
Commercial space, gross (sq. m)		29,836	18,199	30,199
Human capital	Stores	899	412	902
	Other	107	84	107
Operations Results				
Revenues	Directly operated	100,976	59,126	204,010
	Wholesale	23,011	12,917	93,189
Cost of sale	Variable costs	53,616	29,223	131,148
Rent (according to gross commercial space as set forth above)	After application of IFRS 16 (**)	6,478	3,400 (*)	14,496
	Without application of IFRS 16	20,871	11,441 (*)	47,741
Total salary costs attributed to retail operations employees (including contract worker expenses)		14,673	7,030	31,747
Depreciation expenses after application of IFRS 16		14,904	9,604	40,705
Segmental income		13,283	6,475	18,592
Operational working capital (***)		170,645	95,576	154,844
Redemption and sales data				
Revenues per square metre - monthly average in NIS thousands		1.08	1.05	0.55
Change in revenues from same store sales (%) (****)		18%	(11%)	(2%)

*) Reclassified.

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

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

(****) For an explanation of the change percentage in revenues from same stores, see Section 4.5(4) to the Board of Directors report as at 31 March 2024.

Change	For the quarter ending		
	31.3.2024	31.3.2023	31.12.2023
Group growth			
Percent change in commercial/sales floor space	64%	81%	66%
Percent change in same store sales (*)	18%	(11%)	(2%)

(*) For an explanation of the change percentage in revenues from same stores, see Section 4.5(4) to the Board of Directors report as at 31 March 2024.

4. Report on Business Segments

4.1 Revenues (in NIS thousands)

	For the three months ended at 31 March		
	In NIS Thousands		
	2024	2023	% change
Electrical consumer products	301,830	346,573	(12.9%)
Electrical retail	570,018	484,441	17.7%
Retail food	795,175	608,694 *)	30.6%
Sports and leisure	123,986	72,043	72.1%
Investment property	3,212	2,862	12.2%
Adjustments and other	(35,130)	(45,087)	-
Total	1,759,091	1,469,526	19.7%

4.2 Segmental income (loss) (in NIS Thousands):

	For the three months ended at 31 March		
	In NIS Thousands		
	2024	2023	% change
Electrical consumer products	29,086	36,713	(20.8%)
Electrical retail	29,807	18,278	63.1%
Retail food	(259)	(41,191) *)	99.4%
Sports and leisure	13,239	6,272	111.1%
Investment property	3,212	2,823	13.8%
Adjustments and other	(418)	(4,910)	-
Total segmental income	74,667	17,985	315.2%
Other expenses	(6,356)	(2,517)	152.5%
Reorganisation revenues	5,630	-	-
Unallocated shared expenses	(8,774)	(4,764)	84.2%
Operating income	65,167	10,704	508.8%

(*) Reclassified – See Note 29 to the annual consolidated financial statements for additional details regarding the reclassification of Quik's operations as discontinued.

4.3 Segmental EBITDA (in NIS Thousands):

	For the three months ended at 31 March		
	In NIS Thousands		
	2024	2023	% change
Electrical consumer products	35,724	43,761	(18.4%)
Electrical retail	42,464	30,562	38.9%
Retail food	60,964	13,699 *)	345.0%
Sports and leisure	28,143	15,876	77.3%
Investment property	3,212	2,823	13.8%
Adjustments and other	(199)	(4,694)	-
Total segmental EBITDA	170,308	102,027	66.9%
Unallocated shared expenses	(8,774)	(4,764)	84.2%
EBITDA	161,534	97,263	66.1%

4.4 Segmental EBITDA after neutralisation of the effects of IFRS 16 (in NIS Thousands):

	For the three months ended at 31 March		
	In NIS Thousands		
	2024	2023	% change
Electrical consumer products	34,387	42,162	(18.4%)
Electrical retail	31,551	20,085	57.1%
Retail food	994	(39,942) *)	102.5%
Sports and leisure	13,431	7,580	77.2%
Investment property	3,212	2,823	13.8%
Adjustments and other	(199)	(4,694)	-
Total segmental EBITDA	83,376	28,014	197.6%
Unallocated shared expenses	(9,224)	(5,323)	73.3%
EBITDA	74,152	22,691	226.8%

(*) Reclassified – See Note 29 to the annual consolidated financial statements for additional details regarding the reclassification of Quik's operations as discontinued.

4.5 Explanation of the data that appears in the table

(1) Electrical consumer products

The sales turnover amounted to NIS 302 million in the reporting period, as compared with NIS 347 million in the parallel period of the previous year, a decrease of 12.9%. The decrease in revenues was mainly due to a reduction in export sales of heating systems as a result of regulatory changes and a reduction in subsidies in Europe (for further details, see Section 1.3.4 above), and a change in the sales mix in the local market as a result of the impact of the Iron Swords War, primarily on the delivery of new apartments, and the timing of Passover.

Segmental income after neutralising other expenses, net, amounted to NIS 29 million in the reporting period, as compared with NIS 37 million in the parallel period of the previous year. The decrease in segmental income primarily derived from said decreased sales.

The sales turnover amounted to NIS 379 million in January-April, as compared with NIS 409 million in the parallel period of the previous year, a decrease of 7.4%. Most of the decrease was due to export sales of heating systems, amounting to NIS 27 million.

Segmental profit, after neutralisation of other expenses, net, during the months of January - April amounted to NIS 31 million, as compared with NIS 33 million in the parallel period of the previous year.

(2) Electrical retail

The sales turnover amounted to NIS 570 million in the reporting period, as compared with NIS 484 million in the parallel period of the previous year, **which constitutes an increase of approximately 17.7%**. The increase in sales was mainly due to the growth in same store sales, as well as an increase in online sales compared to the parallel period of the previous year. This was despite the timing of Passover and a decrease in duty-free shop sales as a result of the impact of the Iron Swords War.

The sales in the same stores in the segment that fully operated in the reporting period increased by approximately 19.3% in comparison to the parallel period of the previous year. Excluding sales from duty-free shops, sales in identical stores that operated fully during the reporting period increased by 25.7% compared to the parallel period of the previous year.

Monthly average sales per square metre in the same stores amounted to NIS 3,530 per square metre, as compared with NIS 3,321 per square metre in the parallel period of the previous year.

Segmental income, after neutralisation of expenses, net, increased and amounted to NIS 30 million in the reporting period, constituting 5.2% of turnover, as compared with NIS 18 million in the parallel period of the previous year, constituting 3.8% of turnover. The increase primarily derived from an increase in same store sales.

Sales turnover in January-April to NIS 793 million in the reporting period, as compared with NIS 639 million in the parallel period of the previous year, which constitutes an increase of approximately 24%.

The sales in the same stores in the segment that fully operated in the months of January-April increased in comparison to the parallel period of the previous year by approximately 25.8%. **Excluding sales from duty-free shops, sales in identical stores that operated fully from January to April increased by 32.6% compared to the parallel period of the previous year.**

Segmental profit, after neutralisation of other expenses, net, during the months of January - April amounted to NIS 41 million, as compared with NIS 20 million in the parallel period of the previous year.

(3) Retail food

The sales turnover amounted to NIS 795 million in the reporting period, reflecting an increase of 30.6%, as compared with NIS 609 million in the parallel period of the previous year. The increase in sales turnover was mainly due to the growth

in sales from branches converted to Carrefour starting from May last year and the opening of new branches under the Carrefour brand.

Sales turnover during the reporting period in branches that were converted to Carrefour and operated fully during the reporting period amounted to NIS 534 million, compared to NIS 348 million in the parallel period of the previous year.

The sales in the same stores in this segment that operated fully in the reporting period (including stores that were converted to Carrefour) increased by approximately 26.8% as compared to the parallel period of the previous year.

Sales at stores that have been converted to Carrefour and were fully operational during the reporting period increased during this quarter by a rate of 53.4% compared to the parallel period in the previous year.

Monthly average sales per square metre during the reporting period (including stores that were converted to Carrefour) amounted to NIS 27,528, as compared with an NIS 21,205 per square metre annual average in the parallel period of the previous year.

Annual average sales per square metre in Carrefour stores that were fully operational amounted to NIS 36,224 per square metre during the first quarter of 2024, as compared with NIS 25,081 per square metre in the parallel period of the previous year and reflect an increase of 44.4%.

Segmental losses, after neutralisation of expenses, net, amounted to NIS 0.3 million in the reporting period, as compared with a loss, net of other expenses, net, of NIS 41.2 million in the parallel period of the previous year. The improvement in the segment loss compared to the parallel period of the previous year was mainly due to the closure of many branches during the parallel period of the previous year for their conversion and preparation for the launch of Carrefour, which adversely affected the segment profit compared to the increase in revenues from the converted branches during the reporting period.

The segment's results in the first quarter of 2024, excluding the losses of the 7-ELEVEN chain and excluding other expenses and reorganisation revenues, amounted to a profit of NIS 4.3 million.

Further to the previous quarter, Global Retail is presenting positive EBITDA net of IFRS 16 in the sum of NIS 8 million, compared with a negative EBITDA net of IFRS 16 in the sum of NIS 37 million in the parallel quarter of the previous year.

Sales turnover in January-April to NIS 1,069 million in the reporting period, as compared with NIS 815 million in the parallel period of the previous year, which constitutes an increase of approximately 31%.

The sales turnover for the months of January - April at branches converted for Carrefour and operated fully amounted to NIS 732 million in the reporting period, as compared with NIS 493 million in the parallel period of the previous year.

Segmental profit, after neutralisation of other expenses, net, during the months of January - April amounted to NIS 4 million, as compared to a loss of NIS 52 million in the parallel period of the previous year.

(4) Sports and leisure

The sales turnover amounted to NIS 124 million in the reporting period, reflecting an increase of 72.1%, as compared with NIS 72 million in the parallel period of the previous year. The increase in segment sales was mainly due to an increase in revenues from Sa'ar amounting to NIS 21 million, primarily in the wholesale sector as a result of the Iron Swords War, and an increase in sales in identical stores during the reporting period. Additionally, there was an increase in revenues from Adidas compared to the parallel period of the previous year, amounting to NIS 30 million, as a result of the acquisition of 26 new stores consolidated from the beginning of the first quarter of the year and an increase in sales in same stores during the reporting period.

Same store sales in the camping, sports and leisure segment (Sa'ar), which operated fully in the reporting period, **increased by 17%** compared with the corresponding period last year, primarily due to the impact of the war. Additionally, same store sales of Adidas, which operated fully in the reporting period, **increased by 25%** compared with the parallel period last year, primarily due to improvement of the inventory mix.

Segmental income after neutralising other expenses, net, amounted to NIS 13 million in the reporting period, as compared with expenses after neutralising other income, net, of NIS 6 million in the parallel period of the previous year, an increase of 111%, and was primarily derived from the increase in same store sales, as aforementioned.

The sales turnover amounted in January-April to NIS 165 million in the reporting period, as compared with NIS 88 million in the parallel period of the previous year, which **constitutes an increase of approximately 87%**.

Same store sales in the camping, sports and leisure segment (Sa'ar), which operated fully in January-April, increased by 17% compared with the corresponding period last year. Additionally, same store sales of Adidas, which operated fully in the reporting period, increased by 34% compared with the parallel period last year.

Segmental profit, after neutralisation of other expenses, net, during the months of January - April amounted to NIS 15 million, as compared to a profit of NIS 3 million in the parallel period of the previous year.

It should be clarified that the financial data for the month of April are the Company's management estimates and have not been reviewed and/or audited by the Company's external auditor.

(5) Investment property

Sales turnover amounted to NIS 3.2 million in the reporting period, as compared with NIS 2.9 million in the parallel period of the previous year.

Segmental profit amounted to NIS 3.2 million in the reporting period, as compared with NIS 2.8 million in the parallel period of the previous year.

5. The impact of the implementation of International Financial Reporting Standard No. 16 – Leases

Impact of IFRS 16 – Leases on the consolidated statement of profit and loss (in NIS Thousands)

	31 March 2024		31 March 2023		31 December 2023	
	As reported	Net of the impact of IFRS 16 – Leases	As reported	Net of the impact of IFRS 16 – Leases	As reported	Net of the impact of IFRS 16 – Leases
Operating income (loss)	65,167	45,402	10,704	(5,083)	(12,389)	(74,732)
Financing expenses, net	(50,520)	(26,476)	(49,317)	(28,050)	(211,732)	(122,687)
Income (loss) before taxes on income	14,647	18,926	(38,613)	(33,133)	(224,121)	(197,419)
Taxes on income	(12,000)	(12,000)	(6,331)	(6,331)	(11,160)	(11,160)
Net income (loss) from continuing operations	2,647	6,926	(44,944)	(39,464)	(235,281)	(208,579)
Loss from discontinued operations	-	-	(7,723)	(7,723)	(46,377)	(46,377)
Net income (loss)	2,647	6,926	(52,667)	(47,187)	(281,658)	(254,956)
Net income (loss) attributed to Company shareholders	18,576	20,016	(10,511)	(8,522)	(101,263)	(90,441)
EBITDA	161,534	74,152	97,263	22,691	453,510	149,160

Below are details of the adjustments made for the presentation of the results net of the impact of IFRS 16 - Leases:

	For the three months ended at 31 March		For the year ended at 31 December
	2024	2023	2023
NIS Thousands			
Operating income (loss) as reported	65,167	10,704	(12,389)
Additional rental expenses resulting from the neutralisation of the effects of the application of IFRS 16	(87,382)	(74,572)	(304,350)
Net of depreciation effects - IFRS 16	68,597	58,785	248,073
Net of other income due to contract reductions	(980)	-	(6,066)
Operating income (loss) after neutralisation of IFRS 16 impacts	45,402	(5,083)	(74,732)
Net of effects of financing expenses when applying IFRS 16	24,044	21,267	89,045
EBITDA as reported	161,534	97,263	453,510
Inclusion of rent expenses	(87,382)	(74,572)	(304,350)
EBITDA after neutralisation of effects of IFRS 16	74,152	22,691	149,160

6. Distribution of the sources of financing

6.1 The following is a brief summary of the cash flows (in NIS Thousands):

	For the three months ended at 31 March		For the year ended at 31 December
	In NIS Thousands		In NIS Thousands
	2024	2023	2023
Cash flows generated (absorbed) by			
Current operations	102,752	(71,536)	297,273
Investment operations	(327,769)	(204,933)	(546,765)
Financing	69,054	155,360	62,420
Total cash decrease	(155,963)	(121,109)	(187,072)

6.2 Cash flows from regular operations

Net cash deriving from current operations amounted to NIS 103 million in reporting period, as compared with net used in current operations in the sum of NIS 72 million in the previous year. The increase in cash flows from current operations in the reporting period as compared with the parallel period of the previous year primarily derived from an improvement in most of the Company's operating segments and an improvement in working capital items.

6.3 Cash flows absorbed by investment activity

Net cash that was used by investment activity amounted to NIS 328 million in the reporting period, as compared with NIS 205 million in the parallel period of the previous year. Net cash used for investment activities during the reporting period was primarily utilised for investment in short-term deposits amounting to NIS 235 million, investment in marketable securities amounting to NIS 15 million, deferred payment for an activity acquired last year amounting to NIS 41 million, and investment in the purchase of property, plant and equipment. Net cash used for investing activities in the same period last year was primarily utilised for investment in the renovation and conversion of branches in preparation for the launch of Carrefour and for investment in short-term deposits.

6.4 Cash flows generated by financing activity

The net cash that derived from financing activity amounted to NIS 69 million in the reporting period, as compared with NIS 155 million in the parallel period of the previous year. Net cash provided by financing activities during the reporting period was mainly derived from capital raising through the issuance of bonds, net of issuance and discount costs, amounting to NIS 178 million, from the issuance of equity to noncontrolling interests in a consolidated company amounting to NIS 78 million, and from obtaining long-term loans from banking corporations amounting to NIS 15 million. These were partially offset by the repayment of long-term and short-term loans from banking corporations totalling NIS 121 million, the repayment of lease liabilities amounting to

NIS 65 million, and payments to noncontrolling interests for the purchase of their shares in consolidated companies amounting to NIS 13 million.

Net cash arising from financing activities in the parallel period in the previous year primarily derived from long-term loans from banks and other corporations in the sum of NIS 154 million, mainly in the food segment as aforesaid, for the renovation and conversion of branches and their preparation for the launch of Carrefour, the issuance of equity to holders of noncontrolling rights in a subsidiary in the sum of NIS 42 million, and to short-term credit from banks in the sum of NIS 19 million, offset in part primarily from payment of lease liabilities in the sum of NIS 54 million.

7. Events After the Balance Sheet Date

For details about events after the balance sheet date, see Note 10 to the interim consolidated financial statements.

8. Effects of Inflation and Increased Interest Rates on Financial Disclosure and Reporting

Over the last several years, inflation rates in Israel have been low and almost throughout these years, have maintained a range of up to 1%. As of 2021, there has been an increase in inflation rates in Israel and around the world, with the consumer price index in Israel increasing by 2.8% in 2021 and 5.3% in 2022. In 2023, the CPI rose by 3% and in the first quarter of 2024, the CPI rose by 1%. The forecast of the Bank of Israel's research arm is based on the assumption that the direct economic impact of the war reached its peak in the fourth quarter of 2023, and that it will continue until the end of 2024, but with gradually decreasing intensity. For 2025, the assumption is that there will not be additional material impacts of the war. Moreover, Bank of Israel's assumption is that the lion's share of the war will continue to be limited to Gaza. Naturally, Bank of Israel's forecast is characterised by an especially high level of uncertainty, inter alia, regarding the duration and nature of the war in Gaza, the possibility of an escalation on the northern front. The rate of inflation during the next four fiscal quarters (ending in the first quarter of 2025) is expected to come to 2.8%. The overall inflation rate for 2024 is expected to be 2.7%, while during 2025 it is expected to be 2.3%.

As part of its attempt to slow down the inflation rate in Israel, the Bank of Israel has begun to raise interest starting in April 2022, in a number of increments, from the negligible rate that had prevailed for many years, to its current level of 4.5%, and according to the Bank of Israel forecast, Israel's monetary interest rate is expected to come to 3.75% on average during the first quarter of 2025.

The Company has long-term liabilities to banks and other corporations in the sum of NIS 772 million, which are linked to the prime rate (of which, NIS 483 million is attributed to Global Retail Group), and short-term liabilities to banks in the sum of NIS 107 million, which are linked to the prime rate, for which the Company does not maintain cash balances or deposits. Conversely, the Company has short-term variable interest deposits and thus, in light of the expected increase in bank interest, each 1% increase is expected to increase the Group's net interest expenses by NIS 6.5 million annually both in terms of the effect on the Company's results as well as in terms of the effect on the Company's cash flows. Additionally, the Company pays property owners rent for its branches and offices that is for the most part linked

to the consumer price index where every additional 1% increase in the consumer price index is expected to increase rental costs by NIS 4 million annually, both in terms of the effect on the Company's results as well as in terms of the effect on the Company's cash flows.

With that, the Group's financial stability, together with its cash balances and the high current cash flow that it generates, will allow it to continue financing its operations and meeting its obligations.

The Company's assessments - regarding the possible implications of the increase in the prime interest rate and the increase in the consumer price index on its operations and business - are forward-looking information, as the term is defined in the Securities Law, and are based, inter alia, on Company management's experience in the market (including in situations of economic crisis). The Company's assessments or their scope may not materialise, or may materialise differently, in whole or in part, and even substantially so, from what is forecast as a result of a number of factors that are outside the Company's control and/or are known to it on the reporting date and/or the Company's business environment and/or as a result of the materialisation of all or part of the risk factors as described in Section 25 of Part A of the Company 2023 periodic report.

9. Buyback Plan

There was no change regarding the Company's share buyback plan during the reporting period. For details, see Section 10 to the Board of Directors report attached to the Company's Periodic Report for 2023.

10. Directors With Accounting and Financial Expertise

During the reporting period, there was no change regarding the minimum number of directors who have special financial-accounting expertise that the Company board of directors must include.

11. Independent Directors

During the reporting period, there was no change regarding the independent directors as set forth in the Company's Periodic Report for 2023.

12. Disclosure Regarding the Internal Auditor

During the reporting period, there were no material changes regarding data about the Company's internal auditor as set forth in the Company's Periodic Report for 2023.

13. Disclosure Regarding Critical Accounting Estimates

See the Board of Directors report for 31 December 2023.

14. Report on the Liabilities Position of the Company and the Consolidated Companies

Data on the Company's liabilities position as at 31 March 2024 are included in this report by way of reference to such data in the Company's immediate report on the Company's liabilities position by repayment dates, which the Company published in tandem with this report.

15. Financial Benchmarks

Below is a table that sets forth the various criteria that the Company undertook with respect to bondholders and the calculation of whose results are accurate as at 31 March 2024:

Security	Balance of the par value of the security in circulation (in NIS Thousands)		Financial benchmark	Actual benchmark as at 31.3.2024
	As at 31 March 2024	Immediately prior to reporting date		
(Series A) Bonds/Debentures	574,040	574,040	Tangible equity – the Company's "solo" tangible equity at the end of the review period (as defined in the deed) shall not be less than NIS 350 million.	NIS 635 million
			Ratio of net financial debt to net balance sheet – The ratio of the net financial debt to the net balance sheet at the end of the review period (as defined in the deed) shall not exceed 67%.	11.44%

16. Below are the details about the (Series A) Bonds (in NIS Thousands)

16.1 The following table includes a summary of data about the Company's bonds in circulation as of the reporting date

Bonds (Series A) ⁽¹⁾		
Disclosure item		Details about the bonds (Series A)
1.	Issuance date	7 February 2022, pursuant to a shelf-offering report; ⁽²⁾ 17 August and 20 December 2022, in the framework of private offerings to classified investors ⁽³⁾ 21 January 2024, pursuant to a shelf-offering report; ⁽³⁾
2.	Total par value on the date of issue ⁽²⁾ Total par value on the dates that the series was expanded ⁽³⁾	NIS 250 million par value NIS 100 million par value; NIS 78.125 million par value; NIS 199.431 million par value
3.	Par value balance as at 31 March 2024	NIS 574.040 million par value
4.	Par value balance on the reporting date	NIS 574.040 million par value
5.	The par value balance on the reporting date, revalued according to linkage terms	The series is not linked.
6.	Amount of carried accrued interest as at 31 March 2024	NIS 3.014 million ⁽⁴⁾
7.	Market value as at 27 May 2024	NIS 517.3 million
8.	Type of interest	Fixed interest at a rate of 2.1%. Note that the trust deed for the (Series A) bonds dated 2 February 2022 (the "Trust Deed") establishes a number of adjustment mechanisms for changing the annual interest rate for the (Series A) bonds due to failure to meet minimal tangible equity, due to failure to meet the net financial debt to EBITDA ratio, or due to a change in the (Series A) bond rating. According to the above (cumulative) adjustment mechanisms, the total amount of interest supplements shall not exceed 1.25% (other than in the event of an entitlement to interest on arrears). For details, see Sections 5.21, 5.22, and 5.23 to the Trust Deed.
9.	Dates for payment of principal	The (Series A) bonds were and/or are payable (as applicable) in seven (7) unequal annual instalments as follows: four (4) payments at a rate of 12.5% each on 31 December of each of the years 2023 through 2026 (inclusive), two (2) payments at a rate of 15% each on 31 December of each of the years 2027 and 2028 (inclusive), and an additional payment of 20% on 31 December 2029. The first instalment of the principal was paid on 31 December 2023, and the final instalment of the principal will be paid on 31 December 2029.
10.	Interest payment dates	The interest for the (Series A) bonds will be paid (or was paid, as applicable) in equal amounts semi-annually on 30 June and 31 December in each of the years 2022 through 2029 (inclusive) such that the first interest payment was on 30 June 2022 and the last interest payment will be on 31 December 2029 (together with the final payment of the principal).
11.	Principal and interest linkage basis	The (Series A) bonds are not linked (principal or interest) to any linkage basis.
12.	Are the bonds convertible?	No

**The Board of Directors Report on the State of the Corporation's Affairs
For the period ended at 31 March 2024**

Bonds (Series A)⁽¹⁾		
Disclosure item		Details about the bonds (Series A)
13.	Early repayment or forced conversion of bonds	The Company shall be entitled, at its initiative, to call the (Series A) bonds due for early repayment, all according to the provisions of Section 7.2 to the Trust Deed.
14.	Guarantee for payment of the Company's obligations pursuant to the Trust Deed	None
15.	Fulfillment of the terms and obligations pursuant to the Trust Deed	As of the report date, the Company has been meeting all of its above described financial terms and obligations. Additionally, as of the report date, to the best of the Company's knowledge, the Company has not breached its obligations as established in the (Series A) bonds' Trust Deed, and no conditions have occurred that establish cause for calling the above bonds due for immediate repayment.
16.	Is the Company required by the trustee to perform various actions, including calling meetings of bondholders?	No
17.	Details of guarantees/liens	None
Details about the trustee for the holders of (Series A) bonds		
1.	Trustee name	Mishmeret Trust Company Ltd.
2.	Bond Administrator	Mr. Rami Sabati, CPA
3.	Contact information	48 Menachem Begin Blvd., Tel Aviv, Telephone: 03-6374351, Fax: 03-6374344, email address: RamiS@mtrust.co.il
Details about the (Series A) bond rating		
1.	Name of rating company as of the report date	Standard & Poors Maalot Ltd. ("Maalot")
2.	Rating determined on the date of issue	'iIAA-' (January and February 2022)
3.	Rating on the report publication date	'iIAA-' (January 2024) ⁽⁵⁾
4.	Additional ratings between the date of issue and the report date	'iIAA-' (August, September, and December 2022, August 2023, and January 2024)

- (1) As of the report date, pursuant to the provisions of Section 10(B)(13)(a) to the Report Regulations, the Company views the (Series A) bonds as a substantive series.
- (2) On 3 February 2022, the Company published a shelf-offering report (reference number: 2022-01-013488), in which the Company made an initial public offering of NIS 250,000 thousand par value of the Company's (Series A) bonds.
- (3) On 17 August and 20 December 2022, the Company made a private offering to classified investors in the sum of NIS 100 million par value and NIS 78.125 million par value, respectively, of (Series A) Company bonds by way of expanding a series (reference numbers: 2022-01-084156 and 2022-01-120543, respectively). On 17 January 2024, the Company published a shelf-offering report (reference number: 2024-01-006388), in which the Company issued NIS 199,431,000 par value of the Company's (Series A) bonds by way of a series expansion.
- (4) The amount of interest accrued as at 28 May 2024 in respect of the (Series A) bonds is NIS 4.908 million.
- (5) See the Company's immediate report dated 16 January 2024 (reference number: 2024-01-005641), which is included in this report by way of reference, for details about the updated ratings report for the (Series A) bonds as of the date of the publication of this report.

16.2 Working capital shortfall

In light of the issuance of the Company's (Series A) bonds as described above, the Company is required, pursuant to Article 10(B)(14) to the Report Regulations, to ascertain, from time to time, whether there are indications of a liquidity problem at the Company.

As at 31 March 2024, the Company listed, in its interim consolidated financial statements, negative working capital (net) (current assets less current liabilities) of NIS 736 million and a negative operating capital (net) - which characterises retail operations such as the Company's - of NIS 147 million. Similarly, as at that date, the Company has a positive working capital (net) (current assets less current liabilities) of NIS 144 million and a negative operating capital (net), according to the Company's separate (solo) financial data, of approximately NIS 1.9 million.

Net of the food segment, the Company has positive working capital (net) (current assets less current liabilities) in the sum of NIS 247 million, and positive operating working capital (net) in the sum of NIS 330 million.

The Company's board of directors conducted a review as to whether the above factual situation indicates a liquidity problem in the framework of which it reviewed the Company's sources for repaying its existing and expected liabilities based on the forecasted cash flow that was presented to the board. Accordingly, the board of directors determined that the shortfall in working capital and the shortfall in operating working capital do not indicate a liquidity problem at the Company and therefore, there is no warning sign at the Company as that term is defined in Article 10(B)(14) to the Report Regulations.



17. Linkage-Bases Report as at 31 March 2024 (in NIS Thousands)

	Dollars	Euro	Total foreign currency	Unlinked	Linked	Non-monetary	Total
Assets							
Cash and cash equivalents	27,069	23,975	51,044	169,411	-	-	220,455
Deposits and short-term investments	-	-	-	358,184	-	-	358,184
Trade receivables	3,078	34,359	37,437	688,306	-	-	725,743
Other receivables	6,650	3,199	9,849	64,518	3,282	23,706	101,355
Inventory	-	-	-	-	-	1,076,539	1,076,539
Long-term trade and other receivables	-	2,123	2,123	5,701	2,898	-	10,722
Investment in companies treated at equity	-	-	-	-	-	11,715	11,715
Investment property	-	-	-	-	-	327,658	327,658
Investment property under construction	-	-	-	-	-	52,800	52,800
Property, plant, and equipment, net	-	-	-	-	-	652,819	652,819
Right-of-use assets, land	-	-	-	-	-	63,928	63,928
Right-of-use assets, other	-	-	-	-	-	2,221,141	2,221,141
Goodwill	-	-	-	-	-	1,934,689	1,934,689
Intangible assets	-	-	-	-	-	144,439	144,439
Deferred taxes	-	-	-	-	-	27,581	27,581
Total assets	36,797	63,656	100,453	1,286,120	6,180	6,537,015	7,929,768
Liabilities							
Credit from banks and others	-	-	-	268,639	-	-	268,639
Current maturities of bonds	-	-	-	73,597	-	-	73,597
Current maturities of leasing liabilities	-	-	-	-	217,612	-	217,612
Trade payables	170,067	80,001	250,068	1,699,513	-	-	1,949,581
Other payables	-	44,250	44,250	354,912	19,806	289,948	708,916
Loans from banks and others	-	-	-	609,785	-	-	609,785
Bonds/Debentures	-	-	-	467,771	-	-	467,771
Leasing liabilities	-	-	-	-	2,296,224	-	2,296,224
Other non-current liabilities	-	22,792	22,792	85,642	-	121,889	230,323
Employee benefit liabilities, net	-	-	-	-	-	33,099	33,099
Deferred taxes	-	-	-	-	-	41,804	41,804
Total liabilities	170,067	147,043	317,110	3,559,859	2,533,642	486,740	6,897,351
Balance of the exposure of assets (liabilities) to results	(133,270)	(83,387)	(216,657)	(2,273,739)	(2,527,462)	6,050,275	1,032,417

Daniel Salkind,
Chair of the Board of Directors

Zvika Schwimmer,
Chief Executive Officer

Date: 28 May 2024

Consolidated Statements of Financial Position

	As at 31 March		As at
	2024	2023	31 December
	(Unaudited)		Audited
	NIS Thousands		
<u>Current assets</u>			
Cash and cash equivalents	220,455	442,381	376,418
Short-term deposits and investments	358,184	116,335	104,578
Trade receivables	725,743	766,388	648,197
Other receivables	101,355	156,596	87,778
Inventory	1,076,539	967,915	969,275
	<u>2,482,276</u>	<u>2,449,615</u>	<u>2,186,246</u>
<u>Non-current assets</u>			
Long-term trade and other receivables	10,722	17,086	10,905
Investment in companies treated at equity	11,715	-	12,280
Investment property	327,658	326,979	327,658
Investment property under construction	52,800	29,257	52,800
Property, plant, and equipment, net	652,819	467,759	648,894
Right-of-use assets, land	63,928	64,607	64,096
Right-of-use assets, other	2,221,141	1,654,750	1,626,065
Goodwill	1,934,689	1,958,263	1,934,689
Intangible assets	144,439	150,038	115,849
Deferred taxes	27,581	20,870	29,594
	<u>5,447,492</u>	<u>4,689,609</u>	<u>4,822,830</u>
	<u><u>7,929,768</u></u>	<u><u>7,139,224</u></u>	<u><u>7,009,076</u></u>

Consolidated Statements of Financial Position

	As at 31 March		As at
	2024	2023	31 December 2023
	(Unaudited)		Audited
	NIS Thousands		
<u>Current liabilities</u>			
Credit from banks and others	268,639	263,917	359,429*)
Current maturities of bonds	73,597	49,725	50,083
Current maturities of leasing liabilities	217,612	211,213	241,565
Trade payables	1,949,581	1,883,594	1,806,788
Other payables	708,916	555,922	678,707
Dividends payable	-	35,000	-
	<u>3,218,345</u>	<u>2,999,371</u>	<u>3,136,572</u>
<u>Non-current liabilities</u>			
Loans from banks and others	609,785	676,423	638,210*)
Bonds/Debentures	467,771	362,056	311,129
Leasing liabilities	2,296,224	1,698,454	1,676,820
Other liabilities	230,323	144,670	167,586
Employee benefit liabilities, net	33,099	32,771	33,432
Deferred taxes	41,804	45,075	42,849
	<u>3,679,006</u>	<u>2,959,449</u>	<u>2,870,026</u>
<u>Equity</u>			
Equity attributed to Company shareholders	635,038	644,400	632,087
Noncontrolling interests	397,379	536,004	370,391
	<u>1,032,417</u>	<u>1,180,404</u>	<u>1,002,478</u>
<u>Total equity</u>	<u>7,929,768</u>	<u>7,139,224</u>	<u>7,009,076</u>

*) Reclassified

28 May 2024

Date of approval of the
financial statementsDaniel Salkind
Chair of the Board of
DirectorsZvika Schwimmer
Chief Executive
OfficerYehonatan Tsabari
Deputy CEO, Head of
Finance

Consolidated Statements of Profit and Loss

	For the three months ended at		For the year ended at
	31 March		31 December
	2024	2023*)	2023
	Unaudited		Audited
	NIS Thousands		
Revenues from sales and provision of services	1,759,091	1,469,526	6,504,971
Cost of sales and provision of services	(1,242,929)	(1,039,179)	(4,669,738)
Gross profit	516,162	430,347	1,835,233
Selling and marketing expenses	(422,292)	(391,748)	(1,631,638)
Administrative and general expenses	(24,716)	(23,042)	(94,117)
Research and development expenses	(2,696)	(2,018)	(8,035)
Group's share in losses of companies that are treated according to the equity method, net	(565)	(318)	(962)
Operating income before other expenses, net, and reorganisation expenses	65,893	13,221	100,481
Other expenses, net	(6,356)	(2,517)	(61,112)
Reorganisation revenues (expenses)	5,630	-	(51,758)
Operating profit (loss) after other income (expenses) and reorganisation expenses	65,167	10,704	(12,389)
Financing income	4,314	3,072	11,208
Financing expenses	(54,834)	(52,389)	(222,940)
Profit (loss) before taxes on income	14,647	(38,613)	(224,121)
Taxes on income	(12,000)	(6,331)	(11,160)
Net income (loss) from continuing operations	2,647	(44,944)	(235,281)
Loss from discontinued operations	-	(7,723)	(46,377)
Net income (loss)	2,647	(52,667)	(281,658)
<u>Net profit (loss) attributable to:</u>			
Company shareholders	18,576	(10,511)	(101,263)
Noncontrolling interests	(15,929)	(42,156)	(180,395)
	2,647	(52,667)	(281,658)
<u>Base net income (loss) per share attributed to Company shareholders (in NIS)</u>			
Profit (loss) from continuing operations	0.80	(0.42)	(4.05)
Loss from discontinued operations	-	(0.07)	(0.63)
	0.80	(0.49)	(4.68)
<u>Diluted net income (loss) per share attributed to Company shareholders (in NIS)</u>			
Profit (loss) from continuing operations	0.79	(0.42)	(4.05)
Loss from discontinued operations	-	(0.07)	(0.63)
	0.79	(0.49)	(4.68)
Weighted number of shares used in calculating base net income (loss) per share	23,231,336	21,615,216	21,631,673
Weighted number of shares used in calculating diluted net income (loss) per share	23,408,897	21,615,216	21,631,673

*) Reclassified with respect to discontinued operations

Consolidated Statements of Comprehensive Income

	For the three months ended at 31 March		For the year ended at 31 December
	2024	2023	2023
	Unaudited		Audited
	NIS Thousands		
Net profit (loss)	2,647	(52,667)	(281,658)
Other comprehensive income (loss) (after tax):			
<u>Sums that will not later be reclassified to profit or loss:</u>			
Loss from remeasurement for defined benefit plans	-	-	(1,396)
<u>Sums that will be classified or are reclassified to profit or loss upon specific conditions being met:</u>			
Profit (loss) with respect to cash flow hedging transactions	1,848	(142)	(7,365)
Transfer to Statement of Profit and Loss with respect to cash flow hedging transactions	-	4,676	4,676
Total other comprehensive profit (loss)	1,848	4,534	(4,085)
Total comprehensive income (loss)	<u>4,495</u>	<u>(48,133)</u>	<u>(285,743)</u>
<u>Comprehensive profit (loss) attributable to:</u>			
Company shareholders	20,424	(7,847)	(106,286)
Noncontrolling interests	<u>(15,929)</u>	<u>(40,286)</u>	<u>(179,457)</u>
	<u>4,495</u>	<u>(48,133)</u>	<u>(285,743)</u>

Consolidated Statements of Changes in Equity

	Attributable to Company shareholders										Non-controlling interests	Total equity
	Equity shares	Share premium	Treasury shares	Capital reserve with respect to transactions with controlling shareholders	Capital reserve with respect to transactions with holders of non-controlling interests	Capital reserve with respect to share-based payments	Capital reserve with respect to remeasurement of defined benefit plans	Capital reserve for hedging transactions	Retained earnings	Total		
	(Unaudited)											
	NIS Thousands											
Balance as at 1 January 2024 (audited)	75,027	554,163	(132,214)	4,362	(34,927)	12,167	(2,788)	(2,484)	158,781	632,087	370,391	1,002,478
Total comprehensive income (loss)	-	-	-	-	-	-	-	1,848	18,576	20,424	(15,929)	4,495
Cost of share-based payments	-	-	-	-	-	1,004	-	-	-	1,004	-	1,004
Capital reserve with respect to transactions with holders of noncontrolling interests	-	-	-	-	(14,019)	-	-	-	-	(14,019)	42,917	28,898
Buyback of Company shares	-	-	(4,522)	-	-	-	-	-	-	(4,522)	-	(4,522)
Exercise of options	64	1,424	-	-	-	(1,424)	-	-	-	64	-	64
Balance as at 31 March 2024	75,091	555,587	(136,736)	4,362	(48,946)	11,747	(2,788)	(636)	177,357	635,038	397,379	1,032,417

Consolidated Statements of Changes in Equity

	Attributable to Company shareholders											
	Equity shares	Share premium	Treasury shares	Capital reserve with respect to transactions with controlling shareholders	Capital reserve with respect to transactions with holders of non-controlling interests	Capital reserve with respect to share-based payments	Capital reserve with respect to remeasurement of defined benefit plans	Capital reserve for hedging transactions	Retained earnings	Total	Non-controlling interests	Total equity
Unaudited												
NIS Thousands												
Balance as at 1 January 2023 (audited)	73,150	430,661	(111,192)	4,362	(29,127)	9,311	(2,324)	2,075	295,044	671,960	551,848	1,223,808
Total comprehensive income (loss)	-	-	-	-	-	-	-	2,664	(10,511)	(7,847)	(40,286)	(48,133)
Cost of share-based payments	-	-	-	-	-	1,174	-	-	-	1,174	817	1,991
Equity issue to holders of noncontrolling interests in a consolidated company	-	-	-	-	-	-	-	-	-	-	41,564	41,564
Transaction with holders of noncontrolling interests	-	-	-	-	17,939	-	-	-	-	17,939	(17,939)	-
Buyback of Company shares	-	-	(3,826)	-	-	-	-	-	-	(3,826)	-	(3,826)
Dividends declared to Company shareholders	-	-	-	-	-	-	-	-	(35,000)	(35,000)	-	(35,000)
Balance as at 31 March 2023	73,150	430,661	(115,018)	4,362	(11,188)	10,485	(2,324)	4,739	249,533	644,400	536,004	1,180,404

Consolidated Statements of Changes in Equity

	Attributable to Company shareholders											
	Equity shares	Share premium	Treasury shares	Capital reserve with respect to transactions with controlling shareholders	Capital reserve with respect to transactions with holders of non-controlling interests	Capital reserve with respect to share-based payments	Capital reserve with respect to remeasurement of defined benefit plans	Capital reserve for hedging transactions	Retained earnings	Total	Non-controlling interests	Total equity
	Unaudited											
	NIS Thousands											
Balance as at 1 January 2023	73,150	430,661	(111,192)	4,362	(29,127)	9,311	(2,324)	2,075	295,044	671,960	551,848	1,223,808
Total comprehensive loss	-	-	-	-	-	-	(464)	(4,559)	(101,263)	(106,286)	(179,457)	(285,743)
Issue of share capital	1,760	121,973	-	-	-	-	-	-	-	123,733	-	123,733
Equity issue to holders of noncontrolling interests in a consolidated company	-	-	-	-	-	-	-	-	-	-	41,564	41,564
Cost of share-based payments	-	-	-	-	-	4,385	-	-	-	4,385	324	4,709
Buyback of Company shares	-	-	(21,022)	-	-	-	-	-	-	(21,022)	-	(21,022)
Exercise of options	117	1,529	-	-	-	(1,529)	-	-	-	117	-	117
Transaction with holders of noncontrolling interests	-	-	-	-	(5,800)	-	-	-	-	(5,800)	(44,200)	(50,000)
Noncontrolling interests created in a company consolidated for the first time	-	-	-	-	-	-	-	-	-	-	3,100	3,100
Deconsolidation of consolidated partnership	-	-	-	-	-	-	-	-	-	-	2,750	2,750
Investment in consolidated partnership equity by noncontrolling interests	-	-	-	-	-	-	-	-	-	-	1,960	1,960
Dividends paid to Company shareholders	-	-	-	-	-	-	-	-	(35,000)	(35,000)	-	(35,000)
Dividends paid to noncontrolling interests	-	-	-	-	-	-	-	-	-	-	(7,498)	(7,498)
Balance as at 31 December 2023	<u>75,027</u>	<u>554,163</u>	<u>(132,214)</u>	<u>4,362</u>	<u>(34,927)</u>	<u>12,167</u>	<u>(2,788)</u>	<u>(2,484)</u>	<u>158,781</u>	<u>632,087</u>	<u>370,391</u>	<u>1,002,478</u>

Notes to the Interim Consolidated Financial Statements

Consolidated Statements of Cash Flows

	For the three months ended at 31 March		For the year ended at 31 December
	2024	2023	2023
	Unaudited		Audited
	NIS Thousands		
<u>Cash Flows from Current Operations</u>			
Net income (loss)	2,647	(52,667)	(281,658)
Adjustments required for presenting cash flows from current operations:			
Adjustments to profit and loss items:			
Depreciation and amortisation	95,641	84,810	357,433
Impairment of intangible assets and goodwill	-	-	98,303
Impairment (improvement) of investment property	205	(59)	(350)
Impairment of investment property under construction	656	421	7,457
Cost of share-based payment	1,004	1,991	4,709
Capital gain from sale of consolidated partnership credit portfolio	-	-	(34,242)
Capital loss (gain) from disposal of property, plant, and equipment	(535)	(2,052)	1,017
Company's share in losses of companies treated according to balance sheet value, net	565	318	962
Deferred taxes, net	1,035	125	(7,068)
Change in employee benefit liabilities, net	(333)	39	(599)
Change in provision for impairment of property, plant, and equipment and right-of-use assets	(3,966)	-	26,399
Capital gain from decrease in control of previously consolidated partnership	-	-	(4,337)
Other adjustments	(3,786)	1,642	(12)
	90,486	87,235	449,672
Changes in assets and liabilities items:			
Decrease (increase) in trade receivables (including long-term receivables)	(77,432)	(47,851)	66,585
Decrease (increase) in other receivables	(14,523)	(37,452)	16,200
Increase in inventory	(105,302)	(180,430)	(176,217)
Increase in trade payables	156,199	198,272	216,138
Increase (decrease) in other payables	50,677	(38,643)	6,553
	9,619	(106,104)	129,259
Net cash from (used for) current operations	102,752	(71,536)	297,273

Notes to the Interim Consolidated Financial Statements

Consolidated Statements of Cash Flows

	For the three months ended at		For the year
	31 March		ended at 31
	2024	2023	December
	Unaudited		Audited
	NIS Thousands		
<u>Cash flow from investment activities</u>			
Acquisition of property, plant, and equipment	(43,275)	(91,842)	(472,245)
Purchase of intangible assets	(1,312)	-	(14,799)
Capitalisation of costs recognised in investment property and investment property under construction	(861)	(622)	(3,493)
Proceeds from sale of consolidated partnership credit portfolio	-	-	35,450
Proceeds from disposal of property, plant, and equipment	9,160	2,052	2,718
Investment in short-term deposits, net	(235,400)	(115,062)	(99,045)
Proceeds from redemption and sale of marketable securities	242	416	563
Other investments, net	125	125	(200)
Investment in marketable securities	(15,270)	-	-
Cash released from escrow in the acquisition of a subsidiary	-	-	5,000
Acquisition of companies consolidated for the first time (A)	-	-	-
Deferred payment for acquired operations	(41,178)	-	-
Net proceeds from disposal of investment in previously consolidated companies (B)	-	-	(714)
Net cash used in investment activities	(327,769)	(204,933)	(546,765)
<u>Cash flows from financing operations</u>			
Net proceeds from issuance of share capital	64	-	123,850
Dividends paid to Company shareholders	-	-	(35,000)
Dividends paid to noncontrolling interests	-	-	(8,998)
Repayment of bonds	-	-	(53,516)
Issuance of bonds less cost of issuance	178,403	-	-
Receipt of long-term loans from banks and others	15,000	154,000	247,730
Repayment of long-term loans from banks and others	(21,506)	(1,314)	(59,091)
Buyback of Company shares	(4,522)	(3,826)	(21,022)
Issuance of equity in consolidated company to holders of noncontrolling interests	78,230	41,564	41,564
Investment in consolidated partnership equity by noncontrolling interests	-	-	1,960
Buyback of shares from holder of noncontrolling interests	(13,000)	-	(20,000)
Payment of leasing liabilities	(64,594)	(53,697)	(211,041)
Short-term bank credit, net	(99,021)	18,633	55,984
Net cash from financing operations	69,054	155,360	62,420
<u>Decrease in cash and cash equivalents</u>	(155,963)	(121,109)	(187,072)
<u>Balance of cash and cash equivalents at beginning of period</u>	376,418	563,490	563,490
<u>Balance of cash and cash equivalents at end of the period</u>	220,455	442,381	376,418

Notes to the Interim Consolidated Financial Statements

Consolidated Statements of Cash Flows

	For the three months ended at 31 March		For the year ended at 31 December
	2024	2023	2023
	Unaudited		Audited
	NIS Thousands		
(A) <u>Acquisition of companies consolidated for the first time</u>			
Consolidated companies' assets and liabilities as at date of acquisition:			
Working capital (other than cash and cash equivalents)			
Property, plant, and equipment	-	-	44,595
Right-of-use assets	-	-	(6,028)
Goodwill	-	-	15,440
Deferred tax liabilities, net	-	-	(62,586)
Other non-current liabilities	-	-	5,479
Non-controlling interests	-	-	3,100
	-	-	
(B) Proceeds from disposal of investment in previously consolidated companies and partnerships			
Consolidated company's assets and liabilities as at date of sale:			
Working capital (other than cash and cash equivalents), net	-	-	2,065
Property, plant, and equipment	-	-	442
Goodwill	-	-	9,875
Investments in the Company accounted for at equity	-	-	(13,383)
Other non-current liabilities	-	-	(6,800)
Noncontrolling interests	-	-	2,750
Capital gain from disposal of previously consolidated companies and partnerships	-	-	4,337
	-	-	(714)

Notes to the Interim Consolidated Financial Statements

Consolidated Statements of Cash Flows

	For the three months ended at 31 March		For the year ended at 31 December
	2024	2023	2023
	Unaudited		Audited
	NIS Thousands		
(C) Significant non-cash activities			
Acquisition of property, plant, and equipment using credit	24,706	129,776	35,834
Increase in right-of-use asset against leasing liabilities	665,234	78,257	305,865
Short-term payables for buyback of shares from noncontrolling interests by a consolidated company	-	-	30,000
Noncontrolling interests deriving from a business combination in a second-tier subsidiary	-	-	3,100
Deferred proceeds in respect of a business consolidation	-	-	54,178
Dividends payable to Company shareholders	-	35,000	-
Transaction with holder of noncontrolling interests	53,415	-	-
Growth of franchise asset against liability	33,003	-	-
(D) Additional information on cash flows			
Cash paid over the course of the period for:			
Interest	49,166	38,774	190,798
Taxes on income	22,883	28,532	49,623
Cash received over the course of the period for:			
Interest	4,606	3,810	12,522
Taxes on income	1,152	7,942	16,283

