
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 20-F

☐ REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g)
OF THE SECURITIES EXCHANGE ACT OF 1934

OR

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2025

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

OR

☐ SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

Date of event requiring this shell company report _____

For the transition period from _____ to _____

Commission File No. 000-29256

G. WILLI-FOOD INTERNATIONAL LTD.

(Exact name of Registrant as specified in its charter)

N/A

(Translation of Registrant's name into English)

Israel

(Jurisdiction of incorporation or organization)

4 Nahal Harif St., Northern Industrial Zone, Yavne 81106, Israel

(Address of principal executive offices)

Yitschak Barabi, Chief Financial Officer

4 Nahal Harif St., Northern Industrial Zone,

Yavne 81106, Israel

Tel: 972-8-932-1000

(Name, Telephone, E-mail and/or Facsimile number and Address of Registrant's Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Title of each class	Trading symbol(s)	Name of each exchange on which registered
Ordinary Shares, NIS 0.10 par value per share	WILC	Nasdaq Capital Market

Securities registered or to be registered pursuant to Section 12(g) of the Act:

None

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act:

None

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report:

The registrant had 13,930,310 ordinary shares, NIS 0.10 nominal value per share, as of December 31, 2025.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes ☐ No ☒

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days:

Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files):

Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or an emerging growth company. See definition of "large accelerated filer," "accelerated filer" and "emerging growth company" in Rule 12b-2 of the Exchange Act.:

Large accelerated filer ☐

Accelerated filer ☐

Emerging growth company ☐

Non-accelerated filer ☒

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards[†] provided pursuant to Section 13(a) of the Exchange Act.

[†] The term "new or revised financial accounting standard" refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☐

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP ☐

International Financial Reporting Standards as issued by the International Accounting Standards Board ☒

Other ☐

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the Registrant has elected to follow:

Item 17 ☐ Item 18 ☐

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ No ☒

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PRESENTATION OF INFORMATION

In this Annual Report on Form 20-F (“Annual Report”), references to the “Company”, “Group”, “we” and “us” refer to G. Willi-Food International Ltd. and its consolidated subsidiaries. References to “Willi-Food” refer to Willi-Food Investments Ltd., our controlling shareholder.

The Company presents its consolidated financial statements in New Israeli Shekels, the currency of the State of Israel. Unless otherwise specified or the context otherwise requires, references to “\$”, “US\$”, “Dollars”, “USD” and “U.S. Dollars” are to the United States Dollars and references to “NIS” are to New Israeli Shekels.

Solely for the convenience of the reader, this Annual Report contains translations of certain NIS amounts into U.S. Dollars at specified rates. These translations should not be construed as representations that the translated amounts represent such dollar or NIS amounts, as the case may be, or could be converted into U.S. Dollars or NIS as the case may be, at the rates indicated or at any other rate. Therefore, unless otherwise stated, the translations of NIS into U.S. Dollars have been made at the rate of NIS 3.19= \$1.00, the representative exchange rate on December 31, 2025.

CAUTIONARY STATEMENT WITH RESPECT TO FORWARD-LOOKING STATEMENTS

Certain of the statements contained in this Annual Report that are not historical facts, including, without limitation, certain statements made in the sections hereof entitled “Information on the Company,” “Dividends,” “Operating and Financial Review and Prospects,” and “Quantitative and Qualitative Disclosures about Market Risk” are statements of future expectations and other forward-looking statements that are based on management’s current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Actual results, performance or events may differ materially from those in such statements due to, without limitation, the risks set forth in “Item 3. Key Information – D. Risk Factors”, including the following:

- payment default by, or loss of, one or more of our principal clients; the loss of one or more of our key personnel;
- market risks of our portfolio of marketable securities, such as changes affecting currency exchange rates;
- termination of, or changes in, arrangements with our suppliers;
- increasing levels of competition in Israel and other markets in which we do business;
- increase or decrease in global product prices of food products;
- our inability to accurately predict consumption of our products or changes in consumer preferences;
- product liability claims and other litigation matters;
- interruption to our storage facilities;
- our insurance coverage may not be sufficient;
- our operating results may be subject to variations from quarter to quarter;
- our inability to successfully compete with nationally branded products;
- our inability to successfully integrate our acquisitions;
- our inability to protect our intellectual property rights;
- significant concentration of our shares is held by one shareholder;
- we are controlled by and have business relations with Willi-Food Investments Ltd. and its management;
- the price of our ordinary shares may be volatile;
- our inability to meet the Nasdaq Capital Market (“Nasdaq”) and the TASE listing requirements;
- our inability to obtain and maintain regulatory qualifications or approvals for our products or successfully comply with laws and regulations related to our activities in Israel;
- our inability to maintain an effective system of internal controls;
- cyber-attacks on the Company’s information systems;
- economic conditions in Israel;
- changes in political, economic and military conditions in Israel, including, in particular, economic conditions in the Company’s core markets; and
- our international operations may be adversely affected by risks associated with international business.

The Company is under no obligation to publicly update or revise any forward-looking statements, whether as a result of new information or for any other reason.

PART I

ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISORS

Not applicable.

ITEM 2. OFFER STATISTICS AND EXPECTED TIME TABLE

Not applicable.

ITEM 3. KEY INFORMATION

A. Reserved

B. CAPITALIZATION AND INDEBTEDNESS

Not applicable.

C. REASONS FOR THE OFFER AND USE OF PROCEEDS

Not applicable.

D. RISK FACTORS

You should carefully consider the risks we describe below, in addition to the other information set forth elsewhere in this Annual Report, including our financial statements and the related notes beginning on page F-1, before deciding to invest in our ordinary shares (the "Ordinary Shares"). The risks and uncertainties described below in this Annual Report are not the only risks facing us. We may face additional risks and uncertainties not currently known to us or that we currently deem to be immaterial. Any of the risks described below or incorporated by reference in this Annual Report could materially adversely affect our business, financial condition or results of operations. In such case, you may lose all or part of your investment.

Risks Related to Our Business and Industry

We depend on a small number of principal clients who have in the past bought our products in large volumes. Our business may be materially affected if any of our major client's default on their payments to us.

Financial instruments that potentially subject us to concentrations of credit risk consist principally of trade receivable. Despite our large number of clients (approximately 1,500 customers, 3,000 selling points in Israel and abroad), a major part of our sales is made to a limited number of customers. Our largest customer owns, among other things, supermarkets which accounted for approximately NIS 65.1 million (which represents 10.7%) of our sales revenue during 2025. We generally do not require collateral from our big supermarket chain customers, although we do require collateral from most of our remaining clients in Israel to ensure security in collecting payments that are due to us. In addition, we buy credit insurance for many of our customers. We maintain an allowance for doubtful debts based upon factors surrounding the credit risk of specific customers, historical trends and other information which our management believes adequately covers all reasonably anticipated losses in respect of trade receivable. There can be no assurance that this allowance will be adequate. In the event that any of our major client's default on their payment obligations to us, we will not possess sufficient security to collect the entire debt.

We cannot assure that our principal clients or any other client will continue to buy our products in the same volumes, on the same terms or at all.

We do not have long term purchase contracts with our clients, including our major clients, and our sales arrangements do not have minimum purchase requirements. We cannot assure that our major clients will continue to buy our products at all or in the same volumes or on the same terms as they have in the past. Losing one or more of them may adversely affect our business results. In addition, we cannot assure that we will be able to attract new customers. Our failure to do so may significantly reduce our sales.

Our results of operations may be impacted by monetary risk. Our portfolio of marketable securities is subject to various market risks.

We are exposed to fluctuations in the rate of the United States Dollar and Euro versus the NIS. Most of our income is in NIS, whereas most of our purchases are in United States Dollars and in Euros. A significant depreciation in the NIS vis-à-vis the United States Dollar and/or Euro could have a material adverse effect on our results of operations and financial condition.

We strive to minimize market risks arising from exchange rate fluctuations and the cost of imported goods, especially by opening documentary credit arrangements (a/k/a letters of credit) for suppliers abroad, holding foreign currency reserves and initiating forward transactions and foreign currency options.

As a method of investing cash reserves, we hold a portfolio of marketable securities traded on the Tel Aviv Stock Exchange as well as other stock exchanges. This portfolio of marketable securities is subject to various market risks resulting from fluctuations in interest rates, exchange rates, price fluctuations and other market risks in Israel and abroad.

In order to reduce these risks, the Board has adopted the procedure of regularly removing available funds in the Company's accounts for management by internal investment manager. In addition, the Board has revised the Company's investment policy, has appointed members of the Board to the investment committee and has added both CEO and Chairman of the Board to the investment committee.

Our financial instruments consist mainly of cash and cash equivalents, trade receivable, current trade payable and accruals. In view of their nature, the fair value of the financial instruments, included in working capital, is usually identical or close to their book value.

We work with a limited number of key suppliers. If these suppliers raise prices or terminate their engagement with us, our operating results could be adversely affected.

Although we have no supplier who supplies the majority of any of our products, we work with a limited number of key suppliers. If one or more of our key suppliers raises their prices, our operating results may be adversely affected. See risk factor below – “Increases or decreases in global product prices have in the past, and in the future, may continue to have a material adverse effect on our profitability”. We believe that there are alternative suppliers for purchasing our products; however, we cannot assure that the products of the alternative suppliers will become immediately available and that the terms of purchase will be similar to those provided by current suppliers.

We may not be able to successfully compete with larger competitors who have greater operations, financial, marketing, labor and other resources than we have.

The food distribution business in Israel is highly competitive. We face competition from existing competitors in respect of imported as well as locally manufactured food products. Local producers are not subject to the financial risks of importing food products or to governmental policies regarding taxation of imported food products to which we as importers are subject. We may also face competition from potential newcomers to the local food manufacturing business as well as from existing importers and/or manufacturers not currently offering the same lines of products as us. In addition, in the event we further expand our activity in international food markets, we will also face competition from manufacturers and/or distributors in those markets. Certain of our current and potential competitors are substantially more established, benefit from substantially greater market recognition and have greater financial, marketing, labor and other resources than we have. If any of our competitors materially reduces prices, we may be required to reduce our prices in order to remain competitive. Such reductions, if effected, could have a material adverse effect on our financial condition and results of operations.

Increases or decreases in global product prices have in the past, and in the future may continue to have a material adverse effect on our profitability.

The cost of food commodities and other food products is cyclical and subject to various market factors and may fluctuate significantly. As a result, our cost in securing these products is subject to substantial increases over which we have no control. In addition, fuel costs, which represent a significant factor affecting both utility costs at our facilities and our transportation and shipping costs, are subject to wide fluctuations. In particular, geopolitical developments and restrictions on maritime routes, including limitations on sailing through the Red Sea and potential disruptions or restrictions in key shipping lanes such as the Strait of Hormuz, may contribute to increases in global oil and fuel prices and higher freight and transportation costs. Recently, there has been an increase in securing products due to increased shipping costs resulting from restrictions on sailing in the Red Sea and the Strait of Hormuz.

Although we are making best efforts, we cannot assure that we will be able to pass on to customers any increased costs associated with the procurement and transportation of these products. Moreover, there has been, and there may be in the future, a time lag between the occurrence of such increased costs and the transfer of such increases to customers. To the extent that increases in the prices of our products cannot be passed on to customers or there is a delay in doing so, we are likely to experience an increase in our costs which may materially reduce our margin of profitability. See - "We may be affected by political, economic and military conditions in Israel and the Middle East".

Further, there is an additional lag time from the date we purchase inventory from our suppliers situated outside of Israel and the date we sell the inventory to our customers in Israel. To the extent that the price we are able to sell such inventory to customers decreases from the time that we purchase it, our margin of profitability may be materially reduced.

Increases or decreases in global product prices in the future may have a material adverse effect on our profitability.

In addition, we are exposed to risks due to our purchase of most of our inventory from countries outside the State of Israel. This inventory is transported through shipping companies and other forwarders until the inventory arrives at various ports in the State of Israel. We are dependent on shipping companies and other forwarders and are exposed to changes in transportation prices and to the ability of these shipping companies and forwarders to transport the volume of inventory required by our business in a timely manner, or at all.

Ongoing geopolitical tensions and military conflict in the Middle East have disrupted international shipping routes and global energy markets. In particular, attacks by a Yemeni rebel group, the Houthis, on global shipping routes in the Red Sea have disrupted supply chains and increased shipping costs. In addition, the ongoing military conflict involving the United States, Israel and Iran has resulted in significant instability in key maritime routes, including the Strait of Hormuz, where Iranian actions against vessels transiting the area have disrupted shipping activity. These developments have contributed to increases in global oil and fuel prices, higher maritime transportation costs and increased insurance premiums for marine shipments.

As a result of these developments, we may experience delays in the delivery of inventory, higher procurement, shipping and fuel costs and further disruptions to our supply chain. If these conditions continue or worsen, they may have a material adverse effect on our supply chain, sales and profitability. See - "We may be affected by political, economic and military conditions in Israel and the Middle East".

Our results of operations may be adversely affected if we do not accurately predict the rate of consumption of our products.

We hold inventory of basic foodstuffs (such as preserved food, dairy and dairy substitute products, edible oils, pasta and rice and other food products), and we accumulate inventories of these products based on our prediction of the rate of consumption of these products by our customers. If actual consumption does not meet our expectations, and the shelf life of such products expires or we cannot otherwise sell such products, this may materially and adversely affect our financial condition and results of operations. On the other hand, to the extent we do not have adequate inventory of our products to meet demand (for example, due to consumer conditions that create unexpectedly high demand or our failure to accurately predict the rate of consumption of our products), we will not be able to meet the needs of our customers and our revenues may be adversely affected.

We may be unable to anticipate changes in consumer preferences, which may result in decreased demand for our products.

Our success depends in part on our ability to anticipate the tastes and eating habits of our consumers and to offer products that appeal to their preferences. Consumer preferences change from time to time and our failure to anticipate, identify or react to these changes could result in reduced demand for our products, which would adversely affect our operating results and profitability.

We may be subject to product liability claims for misbranded, adulterated, contaminated or spoiled food products.

We sell food products for human consumption, which involves risks such as product contamination or spoilage, misbranding, product tampering, and other adulteration. Consumption of contaminated, spoiled, misbranded, tampered with or adulterated products may result in personal illness or injury. We could be subject to claims or lawsuits relating to an actual or alleged illness or injury, and we could incur liabilities that are not insured or that exceed our insurance coverage. Even if product liability claims against us are not successful or fully pursued, these claims could be costly and time consuming and may require management to spend significant time defending the claims rather than operating our business. In addition, a product that has been actually or allegedly misbranded or becomes adulterated could result in product withdrawals, product recalls, destruction of product inventory, negative publicity, temporary plant closings, and substantial costs of compliance or remediation. Any of these events, including a significant product liability judgment against us, could result in a loss of confidence in our food products, which could have an adverse effect on our financial condition, results of operations or cash flows.

Our insurance coverage may not be sufficient to cover our losses in the event our products are subject to product liability claims or our products are subject to recall. In such event, it could have a material adverse effect on us.

Our products may become the subject of product liability claims and product recalls, and there can be no assurance that our product liability insurance coverage limits will be adequate or that all such claims will be covered by such insurance. A product liability claims or product recall, even one without merit or for which we have substantial insurance coverage, could result in significant expenses, including legal defense costs, thereby lowering our earnings and potentially resulting in additional losses. Successful product liability claims or other judgments against us in excess of our insurance coverage could have a material adverse effect on us and our reputation.

We may be adversely affected by any interruption to our storage facility.

We store most of our products to be distributed to customers in one main location – a logistics center warehouse situated in Yavne, Israel. Any interruption to this storage facility, whether by power failure, flooding, or due to the ongoing war on Hamas or

otherwise, would have a material impact on our ability to trade in the ordinary course of our business. For more information, please see “ - *We may be affected by political, economic and military conditions in Israel and the Middle East*”.

Our operating results may be subject to variations from quarter to quarter.

Our operating results may be subject to variations from quarter to quarter depending on, among other things, the timing of sales campaigns and special events initiated both by us and our customers, the major Jewish holidays (such as the Jewish New Year and Passover), our ability to manage future inventory levels in line with business opportunities and anticipated customer demand, competitive developments in the market, changes in government regulations, periodic work stoppages or disruptions, changes in the rates of inflation in Israel and fluctuations in NIS/dollar and NIS/euro exchange rates. There can be no assurance that our sales or net income (if any) in any particular quarter will not be lower than the preceding and/or comparable prior-year quarter or that our sales or net income (if any) in a particular quarter will be indicative of our results of operations for the entire year. The trading prices of our ordinary shares may fluctuate significantly in response to variations in our quarterly operating results.

Our branded products may not be able to compete successfully with nationally branded products.

Competition to obtain shelf space for our branded products with retailers is primarily based on the expected or historical performance of our product sales relative to our competitors. The principal competitive factors for sales of our branded products to consumers are brand recognition and loyalty, product quality and price. Most of our branded product competitors have significantly greater resources than we do and may have a competitive advantage over our products due to greater brand name recognition.

Competitive pressures or other factors could cause us to lose market share, which may require us to lower prices, increase marketing expenditures, and/or increase the use of discounting or promotional programs, each of which would adversely affect our margins and could result in a decrease in our operating results and profitability.

The failure to attract and retain key personnel could adversely affect our business.

Our success depends in large part on our ability to continue to attract, retain, develop and motivate highly skilled professional personnel. Competition for certain employees, particularly top management, is intense. We may be unable to continue to attract and retain sufficient numbers of highly skilled employees. Our inability to attract and retain additional key employees or the loss of one or more of our current key employees could adversely impact our business, financial condition and results of operations.

In particular, we depend on the management services provided to us by Mr. Zwi Williger and Mr. Joseph Williger, as a director and Chairman of the Board and as a director and chief executive officer, respectively through management companies that they control. See “Item 7. Major Shareholders and Related Party Transactions –A. Major Shareholders”. We do not have any key-man life insurance policy on either Mr. Zwi Williger or Mr. Joseph Williger. The loss of either or both of Mr. Zwi Williger and/or Mr. Joseph Williger could adversely impact our business, financial condition and results of operations.

If we are unable to protect our intellectual property rights, our competitive position could be compromised.

We market certain products under the trademarks “Willi-Food”, “Euro European Dairies”, “Manchow”, “Gold Frost”, “Tifeeret”, “The Chef Dish”, “Mr Chang”, “Muchi”, “Euro Butter”, “Euro Spread”, “Euro Cheese”, “Euro Cream”, “Euro Dessert”, “Euro Veg”, “Ha-Bulgaria”, “Gelato”, “Pinukim”, “Emma”, “Better Food”, “Kidoos”, “Italpizza” and “TenBo”. Although we have registered trademarks for these brands, we cannot assure that the degree of protection from this registration will be sufficient to protect our rights in these trademarks.

One shareholder owns a majority of our shares.

As of March 23, 2026, Messrs. Zwi Williger and Joseph Williger, beneficially owned approximately 60.2% of our outstanding shares, including shares held by Willi-Food Investments Ltd., an entity controlled by Messrs. Zwi Williger and Joseph Williger. Our Articles of Association does not provide for cumulative voting rights with respect to the election of directors and every resolution in a general meeting of shareholders is deemed duly passed if passed by a simple majority of the shareholders present and voting unless another majority is required by the Israeli Companies Law, 5759-1999 (the “Companies Law”) or by our Articles of Association. Therefore, our controlling shareholders are able to control the outcome of matters requiring shareholder approval that do not require a special majority.

We have business relations with Willi-Food and its management.

Willi-Food, our controlling shareholder, is a holding company whose main asset is the ordinary shares it owns in our company. Willi-Food currently does not directly conduct any material business, excluding investments in securities portfolio.

Certain of our key personnel also serve in management positions in Willi-Food. By serving in dual capacities, these persons may experience conflicts of interest involving the two companies. Israeli law imposes procedures, including a requirement of

shareholder approval for certain material transactions, as a precondition to entering into interested party transactions. These procedures may apply to transactions between Willi-Food and us. However, we cannot assure that we will be able to avoid possible detrimental effects of any such conflicts that may arise.

We previously failed to comply with Nasdaq's requirement to hold an annual meeting of Shareholders no later than one year after the end of the Company's fiscal year-end and although we regained compliance within the grace period, we may fail to comply with the requirement to hold an annual meeting timely or any other listing requirements, and our shares may be delisted if we are unable to regain compliance with Nasdaq rules within the applicable grace periods.

On January 4, 2023, we received a notification letter (the "Notification Letter") from The Nasdaq Capital Market advising us that we had not held an annual meeting of shareholders within twelve months of the end of our fiscal year ended December 31, 2022 as required for continued listing under Nasdaq Listing Rule 5620(a) (the "Annual Meeting Rule"). We were provided 180 calendar days to regain compliance with the Annual Meeting Rule. On February 7, 2023, we were informed by Nasdaq that we regained compliance with the requirement to hold an annual general meeting timely under the Annual Meeting Rule after we informed Nasdaq of our plan to regain compliance and holding a general shareholder meeting on March 14, 2023.

However, we may in the future fail to comply with Nasdaq Listing Rule 5620(a) to hold an annual meeting of Shareholders no later than one year after the end of the Company's fiscal year-end again or any other listing requirements under the Nasdaq Capital Market regulations and listing requirements such as to minimum share price, minimum net income, minimum number of shareholders and public float and other requirements. In addition, under Nasdaq's Listing Rules, any company whose shares have a closing bid price less than \$1.00 for 30 consecutive business days may be subject to a delisting proceeding by Nasdaq.

If we fail to meet the continued listing criteria under Nasdaq rules, our ordinary shares may be delisted from trading on the Nasdaq Capital Market and the TASE under dual-listing requirements.

Delisting from the Nasdaq Capital Market and/or the TASE could have an adverse effect on our business and on the trading of our ordinary shares. If a delisting of our ordinary shares from Nasdaq were to occur, our shares would trade in the over-the-counter market in the U.S. such as on the OTC Bulletin Board or on the "pink sheets". The over-the-counter market is generally considered to be a less efficient market, and this could diminish investors' interest in our ordinary shares as well as significantly impact our share price and the liquidity of our ordinary shares. Any such delisting may also severely complicate trading of our shares by our shareholders, or prevent them from re-selling their shares at/or above the price they paid. Furthermore, relatively low trading volumes may make it difficult for shareholders to trade shares or initiate any other transactions. Delisting may also make it more difficult for us to issue additional securities or secure additional financing.

Our inability to win tenders on tax exempt import quotas published by the Ministry of Finance could negatively impact our business and harm our financial condition.

In the State of Israel, customs duties are imposed on the import of various food products, including cheese products, frozen vegetables, oils, canned goods, and additional food items imported by the Company. In May 2014, the Ministry of Finance published a notice regarding the implementation of a government decision related to the opening of duty-free import quotas for hard cheeses and butter ("**Duty-Free Import Quotas**"), with the winning importers committing to a low selling price for the final consumer. Following this decision, the Ministry of Economy and Industry published a competitive process for duty-free import quotas, in which we participated and even won quotas against a commitment to sell to the final consumer at a low price. As of the date of this Annual Report, we estimate that if we do not win any of the tenders in the coming years, there may be some impact, but we are unable to assess the potential extent of the impact on our results, due to our inability to estimate the price at which we will be able to market the cheeses subject to customs duties and/or our ability to increase sales of cheese products or substitutes for these products, which are already exempt as of the date of this Annual Report, as mentioned above.

We may not successfully integrate our acquisitions.

We have made acquisitions in the past and may do so in the future. Our success will depend in part on our ability to manage the combined operations of any acquired company, to integrate the operations and personnel of such company together with our other subsidiaries into a single organizational structure, and to replace those subsidiary managers who have departed or may in the future leave our employ. There can be no assurance that we will be able to effectively integrate the operations of our subsidiaries and our acquired businesses into a single organizational structure. Integration of operations could also place additional pressures on our management as well as on our other key personnel. The failure to successfully manage any integration could have an adverse material effect on results of our operations.

Risks Related to Our Location in Israel

We are subject to regulations and other policies of the Israeli government and of other countries from which we import and into which we export. If we are unable to obtain and maintain regulatory qualifications or approvals for our products, our business may be adversely affected.

Regulatory, licensing and quotas: The import, export, storage, marketing, distribution and labeling of some major food products are subject to extensive regulation and licensing by various Israeli government and municipal agencies, principally the Ministry of Health, the Ministry of Economy, the Ministry of Agriculture and the Ministry of Finance. To the extent that we have imported and exported, or will import and export, food products outside of Israel, we may be subject to quotas and other import and export laws and regulations which may limit our ability to sell or buy certain of our food products into or from these countries. We are required to maintain our distribution processes in conformity with all applicable laws and regulations. In the event that such laws and regulations change, or we fail to comply with such laws and regulations, we may be prevented from trading within Israel or other parts of the world.

Tariffs: The Ministry of Finance and the Ministry of Economy of the State of Israel may increase the levels of tariffs on importing goods. This would have a direct impact on us and our financial performance by increasing our costs which we may not be able to pass on to our customers.

Kosher Licenses: Under kosher regulations, we are required to ascertain that the food products which we offer for sale bear kosher certification approved by certain authorities such as the Chief Rabbinate of Israel. There is a risk that the relevant authorities in Israel or other areas of the world responsible for issuing kosher licenses may change the criteria for obtaining such licenses. In such circumstances, we may be prohibited from obtaining kosher licenses for various products that we sell into the various kosher markets. Failure to comply with such applicable laws and regulations in relation to kosher licenses could subject us to civil sanctions, including fines, injunctions, recalls or seizures, as well as potential criminal sanctions, any of which could have a material adverse effect on us and our financial performance.

Economic conditions in Israel affect our financial performance.

A major part of our sales is made in Israel, and consequently our financial performance is dependent to a significant extent on the economy of Israel. A deterioration of the economic situation in Israel, or periodic work stoppages or disruptions, may erode the real wages and lower the buying power of our potential customers. This in turn may adversely affect our activities and business results.

We may be affected by political, economic and military conditions in Israel and the Middle East.

Our headquarters, manufacturing and other significant operations are located in Israel and, therefore, our business and operations may be adversely affected by political, economic and military conditions in Israel.

Our business and operations will be directly influenced by the political, economic and military conditions affecting Israel at any given time. Since the establishment of the State of Israel in 1948, a number of armed conflicts have taken place between Israel and its Arab neighbors, including Hezbollah in Lebanon) and Syria (and Hamas in the Gaza Strip, both of which involved missile strikes in various parts of Israel causing the disruption of economic activities. Our principal offices are located within the range of rockets that could be fired from Lebanon, Syria or the Gaza Strip into Israel. In addition, Israel faces many threats from more distant neighbors, in particular, Iran .

In October 2023, Hamas terrorists infiltrated Israel's southern border from the Gaza Strip and conducted a series of attacks on civilian and military targets .Following the attack, Israel's security cabinet declared war against Hamas ,and later against Hezbollah in Lebanon .Hostilities subsequently escalated between Israel and a number of its other neighbors, including conflicts with Hezbollah along Israel's northern border with Lebanon, with Iran (including a war during June 2025) and with the Houthi movement in Yemen, which both launched drone and missile attacks on military and civilian targets within Israel. In addition, the Houthi movement disrupted international commerce by launching a number of attacks on commercial vessels traversing the Gulf of Aden and the Red Sea. While a ceasefire between Israel and Lebanon (with respect to Hezbollah) was announced in November 2024, a ceasefire between Israel and Iran was announced in June 2025 and the latest ceasefire between Israel and Hamas was announced in October 2025, in February 2026, hostilities between Israel and Iran escalated again .In late February 2026, the United States, together with Israel, launched a major joint military campaign of air and missile strikes against targets in Iran, which triggered a broad Iranian response and contributed to significant regional instability, including, in early March 2026, resumed conflicts with Hezbollah. The security situation in the region remains highly fluid, and we are unable to predict if, when, or on what terms, this escalation will be resolved.

The military operation against Iran has immediate implications for the Israeli economy, including, *inter alia*, the declaration of a state of emergency, the issuance of emergency orders and restrictions on economic activity, the shutdown of educational institutions and workplaces, a reduction in activity across various sectors, and the mobilization of reserve forces on a broad scale. These measures may give rise to operational disruptions, delays in timelines, and increased costs and reduced availability of products imported by us, as well as elevated personnel costs.

As a result of repeated attacks by Houthi forces on vessels operating in the Red Sea, shipping times from the Far East have been extended by three to four weeks. Approximately 35% of our imported products originate in the Far East. We estimate that a material increase in maritime shipping costs could adversely affect our results of operations. Furthermore, as a result of Iran's blockade of the Strait of Hormuz, energy prices – and oil prices in particular – have risen. These developments may adversely affect shipping costs and give rise to potential supply chain delays, which could impact, *inter alia*, the availability and cost of the Company's imported

products. Further, as an Israeli company, there is heightened risk of cyberattacks on our and our supply chain's IT networks by our adversaries in general, and more so as a result of a war .

Several countries, principally in the Middle East, restrict doing business with Israel and Israeli companies, and additional countries may impose restrictions on doing business with Israel and Israeli companies if hostilities in the region continue. Moreover, the perception of Israel and Israeli companies by the global community (as represented, for example, by claims filed with the International Court of Justice (the "ICJ")) may cause an increase in sanctions and other adverse measures against Israel, Israeli companies and their products and services. Additionally, there have been increased efforts by countries, activists and organizations to cause companies and consumers to restrict business with Israel and with Israeli companies, which may impact our ability to do business. Such efforts, particularly if they become widespread, as well as current and future rulings and orders of international tribunals) including the ICJ against Israel, could materially and adversely impact our business operations .

Any hostilities involving Israel or the interruption or curtailment of trade between Israel and its present trading partners, or significant downturns in the economic or financial condition of Israel, could adversely affect our operations and product development, cause our revenues to decrease and adversely affect the share price of publicly traded companies having operations in Israel, such as us. Our commercial insurance does not cover losses that may occur as a result of an event associated with the security situation in the Middle East. Although the Israeli government is currently committed to covering the reinstatement value of direct damages that are caused by terrorist attacks or acts of war, there can be no assurance that this government coverage will be maintained, or if maintained, will be sufficient to compensate us fully for damages incurred. Any losses or damages incurred by us could have a material adverse effect on our business, financial condition and results of operations.

It will be extremely difficult to acquire jurisdiction and enforce liabilities against us, our officers and directors who are based in Israel.

We are organized under the laws of the State of Israel. The majority of our officers and directors reside outside of the United States and most of our operations and assets, and the assets of these persons, are located outside the United States. As a result, it may not be possible for United States investors to enforce their legal rights, to effect service of process or to enforce judgments of United States courts against us, our directors or our officers under federal securities laws of the United States. Further, it is unclear if extradition treaties now in effect between the United States and Israel would permit effective enforcement of criminal penalties under such securities laws. It may also be difficult to enforce civil liabilities under such securities laws in actions initiated in Israel.

Our international operations may be adversely affected by risks associated with international business.

We purchase food products from over 125 suppliers located in Israel and around the world, including the Far East Eastern Europe, South America, the United States, Western and Central Europe and Southern Europe and more. Therefore, we are subject to certain risks that are inherent in an international business. These include the adverse effects on our operations from:

- War, such as the current war in Israel for more information, see “– We may be affected by political, economic and military conditions in Israel and the Middle East”.
- varying regulatory restrictions on sales of our products to certain markets and unexpected changes in regulatory requirements;
- tariffs, customs, duties, quotas and other trade barriers;
- global or regional economic crises;
- difficulties in managing foreign operations and foreign distribution partners;
- longer payment cycles and problems in collecting trade receivable;
- fluctuations in currency exchange rates;
- political risks;
- foreign exchange controls which may restrict or prohibit repatriation of funds;
- export and import restrictions or prohibitions, and delays from customs brokers or government agencies;
- seasonal reductions in business activity in certain parts of the world;
- potentially adverse tax consequences; and

- Depending on the countries involved, any or all of the foregoing factors could materially harm our business, financial condition and results of operations.

General Risk Factors

The market price of our ordinary shares on either Nasdaq or the Tel Aviv Stock Exchange could fluctuate significantly.

The market price of our ordinary shares on the Nasdaq Capital Market and the Tel Aviv Stock Exchange (the “TASE”) has in the past fluctuated significantly and may be affected by our operating results, changes in our business, changes in the products we market and distribute, and general market and economic conditions which are beyond our control. In addition, the stock market in general has, from time to time, experienced significant price and volume fluctuations that are unrelated or disproportionate to the operating performance of individual companies. These fluctuations have affected stock prices of many companies without regard to their specific operating performance. For these reasons, the price of our ordinary shares may fluctuate significantly in the future.

Also, the financial markets in the United States, Israel and other countries have experienced significant price and volume fluctuations, and market prices of public companies have been and continue to be volatile. Volatility in the price of our ordinary shares may be caused by factors outside of our control and may be unrelated or disproportionate to our results of operations. In the past, following periods of volatility in the market price of a public company’s securities, shareholders have frequently instituted securities class action litigation against that company. Litigation of this kind could result in substantial costs and a diversion of our management’s attention and resources.

If we fail to maintain an effective system of internal controls, we may be unable to accurately report our financial results or prevent fraud, and investor confidence and the market price of our ordinary shares may be adversely affected.

Our reporting obligations as a public company make significant demands on our management, operational and financial resources and systems. We implemented financial and disclosure control procedures and corporate governance practices that enable us to comply with the Sarbanes-Oxley Act of 2002 and related Securities and Exchange Commission, or the SEC, rules. For example, we developed accounting and financial capabilities, including the establishment of an internal audit function and development of documentation related to internal control policies and procedures. Failure to establish the necessary controls and procedures would make it difficult to comply with SEC rules and regulations with respect to internal control and financial reporting. We need to take further actions to continue to improve our internal controls. If we are unable to implement solutions to any weaknesses in our existing internal controls and procedures, or if we fail to maintain an effective system of internal controls, we may be unable to accurately report our financial results or prevent fraud and investor confidence and the market price of our ordinary shares may be adversely impacted.

Our results of operations may be impacted by cyber-attacks on the Company's information systems.

Suspension or malfunction of internal or third-party information systems, or unauthorized access, misuse, computer viruses and cyber-attacks affecting such systems, could impact our results of operations. Our businesses rely on secure processing, storage, transmission and reception of personal, confidential and proprietary information on our systems. We may become the target of attempted unauthorized access, computer viruses or malware, and other cyber-attacks designed to access and obtain information on our systems or to disrupt and cause other damage to our services. Although these threats may originate from human error or technological failure, they may also originate from the malice or fraud of internal parties, such as employees, or third parties, including foreign state actors and extremist parties. Additionally, we could also be adversely impacted if any of the third-party vendors, exchanges, clearing houses or other financial institutions to which we are interconnected are subject to cyber-attacks or other informational security breaches. Such events could cause interruptions to our systems, reputational damage, client dissatisfaction, legal liability, enforcement actions or additional costs, any and all of which could adversely affect our financial condition and operations. While we continue to devote significant resources to monitor and update our systems and implement information security measures to protect our systems, there can be no assurance that any controls and procedures we have in place will be sufficient to protect us from future security breaches. As cyber threats are continually evolving, our controls and procedures may become inadequate and we may be required to devote additional resources to modify or enhance our systems in the future.

ITEM 4. INFORMATION ON THE COMPANY

A. HISTORY AND DEVELOPMENT OF THE COMPANY

The Company was incorporated in Israel in January 1994 under the name G. Willi-Food Ltd. and commenced operations in February 1994. It changed its name to G. Willi-Food International Ltd. in June 1996. The Company’s corporate headquarters and principal executive offices are located at 4 Nahal Harif Street, Northern Industrial Zone, Yavne 81106, Israel. The Company’s telephone number in Israel is +972 8-9321000 and its e-mail address is willi@willi-food.co.il. The Company’s website address is www.willi-food.co.il. The information contained in its website, or that can be accessed therefrom, does not constitute a part of this Annual Report and is not incorporated by reference herein. We have included our website address in this Annual Report solely for informational

purposes. The SEC maintains an Internet site that contains reports, proxy and information statements, and other information regarding issuers, such as we file electronically, with the SEC at www.sec.gov.

The Company completed its IPO in the United States in May 1997, at which time its ordinary shares began trading on the Nasdaq Capital Market, where they currently trade under the symbol “WILC”. On June 15, 2020, our ordinary shares began trading on the Tel Aviv Stock Exchange under the symbol “WILF”.

CAPITAL EXPENDITURES

Our capital expenditures were \$10.7 million, \$15.3 million and \$7.4 million for the three years ended December 31, 2025, 2024 and 2023, respectively. For more information, see “Item 4. Information on the Company – D. Property, Plants and Equipment”.

B. BUSINESS OVERVIEW

Overview

The Company is an Israeli-based company specializing in high-quality, great-tasting kosher food products. The Company is engaged, directly and through subsidiaries, in the design, import, marketing and distribution of a wide variety of over [650] food products world-wide. In the year ended December 31, 2025, substantially all of our revenue was generated in Israel, with less than 0.5% of our revenue resulting from exports outside Israel.

The Company purchases food products from over 125 suppliers located in Israel and throughout the world, including from the Far East, Eastern Europe, South America, Western and Central Europe Southern Europe and more.

The Company’s products are marketed and sold to approximately 1,500 customers and 3,000 selling points in Israel, including to supermarket chains, wholesalers and institutional consumers. The Company markets most of its products under the brand name “Willi-Food,” and most of its chilled and frozen products under the brand name “Euro European Dairies”. Certain products are marketed under brand names of other manufacturers or under other brand names. In addition, the Company distributes some of its products on an exclusive basis, as described further below. Less than 1% of the Company’s sales come from product sales in countries other than Israel.

Following changes in management in recent years, the Company continues to re-evaluate its strategic position and consider other business opportunities. As part of this re-evaluation, the Company is considering forming strategic alliances with or entering into different lines of business, expanding its product lines, and increasing product sales with existing customers while adding new customers. In addition, the Company is examining M&A opportunities to further increase its market presence.

As of March 23, 2026, the Company’s principal shareholder, Willi-Food Investments Ltd., held approximately 58.8% of our ordinary shares. See “Item 7. Major Shareholders and Related Party Transactions – A. Major Shareholders”. Willi-Food’s securities are traded on the Tel Aviv Stock Exchange.

Business Strategy

The Company’s principal business strategy is:

- to promote the “Willi-Food” brand name and other brand names used by the Company (such as “Euro European Dairies”) and to increase market penetration of products through marketing efforts and advertising campaigns;
- to expand our current food product lines and diversify into additional product lines, as well as to respond to market demand;
- to enter new fields of activity/operating segments;
- Expand the company's activities by improving its logistics system, including continued investment in the construction of the new logistics center;
- utilizing management’s expertise in identifying market demand and preferences, as well as its supplier sourcing abilities too;
- continue to locate, develop and distribute additional food products, some of which may be new to Israeli consumers;
- penetrate new food segments within Israel through the establishment of food manufacturing factories or the establishment of business relationships and cooperation with existing Israeli food manufacturers;
- increase its inventory levels from time to time both to achieve economies of scale on its purchases from suppliers and to more fully meet its customers’ demands;

- further expand into international food markets, mainly in the U.S. and Europe, by purchasing food distribution companies, increasing cooperation with local existing distributors and/or exporting products directly to customers; and
- penetrate new markets in other countries through the establishment of business relationships and cooperation with representatives in such markets, subject to a positive political climate.

The Company has developed certain trade relationships locally, as well as in areas administered by the Palestinian Authority, although current sales volumes to Palestinian-administered areas remain small.

Principal Products

We and Euro European Dairies import a broad variety of over 650 food products, which are sold, marketed, and distributed by us in Israel. A small percentage of our products are purchased from suppliers in Israel.

We aim to broaden the variety of products we import, and expect to launch additional imported products in the near future while continuing to develop new and innovative food products internally.

The principal products in our import segment product line are as follows:

- **Canned Vegetables and Pickles:** including mushrooms (whole and sliced), artichoke (hearts and bottoms), beans, asparagus, capers, corn kernels, baby corn, palm hearts, vine leaves (including vine leaves stuffed with rice), sour pickles, mixed pickled vegetables, pickled peppers, an assortment of olives, garlic, roasted eggplant sun and dried tomatoes. These products are imported primarily from China, Greece, Thailand, Turkey, India, and the Netherlands.
- **Canned Fish:** including tuna (in oil or water), sardines, anchovies, smoked and pressed cod liver, herring, fish paste and salmon. These products are primarily imported from the Philippines, Thailand, Greece, Germany and Sweden.
- **Canned Fruit:** including pineapple (sliced or pieces), peaches, apricots, pears, cherries and fruit cocktail. These products are primarily imported from China, Monaco, the Philippines, Thailand, Greece and Europe.
- **Edible Oils:** including olive oil, regular and enriched sunflower oil, soybean oil, corn oil and rapeseed oil. These products are primarily imported from Belgium, Poland, Italy, the Netherlands and Spain.
- **Dairy and Dairy Substitute Products:** including hard and semi-hard cheeses (parmesan, edam, kashkaval, gouda, cheddar, pecorino, manchego, maasdam, iberico and emmental), molded cheeses (Brie and Camembert), feta, Bulgarian cubes, goat cheese, fetina, butter, butter spreads, margarine, melted cheese, cheese alternatives, condensed milk, whipped cream, yogurt, frozen pizza and others. These products are primarily imported from Greece, France, Lithuania, Poland, Denmark, Germany, Italy and the Netherlands.
- **Dried Fruit, Nuts and Beans:** including figs, apricots and organic apricots, chestnuts organic chestnuts, sunflower seeds, walnuts, pine nuts, cashews, banana chips, pistachios and peanuts. These products are primarily imported from Greece, Turkey, India, China, Thailand and the United States.
- **Other Products:** including, among others, instant noodle soup, frozen edamame soybeans, freeze dried instant coffee, bagels, breadstick, coffee creamers, lemon juice, , cookies, vinegar, sweet pastry and crackers, sauces, corn flour, rice, rice sticks, pasta, organic pasta, spaghetti and noodles, breakfast cereals, corn flakes, rusks, tortilla, dried apples snacks, deserts (such as tiramisu and pastries) and ice cream. These products are primarily imported from the Netherlands, Germany, Italy, Greece, Belgium, the United States, Scandinavia, Switzerland, China, Thailand, Turkey, India, and South America.

Product Information

The products that generated the largest sales volume for the year ended December 31, 2025 were dairy and dairy substitute products 34.8% of sales, canned vegetables and fruits 18.0% of sales, cereals, rice and pastas products 12.2% of sales, oil products 7.9% of sales and fish products 12.2% of sales.

The allocation mentioned above does not include the product line “Other Products” in the import segment, as this product line includes products that have no characteristic definition.

Most of the products that we import and market are approved as kosher by, and/or under the supervision of, various supervisory institutions, including the Chief Rabbinate of Israel, Badatz Edah HaChareidis, Badatz Beit Yosef, Chug Chatam Sofer, certain Jewish organizations administering Kashrut procedures and certifications (such as the Union of the Orthodox Jewish Congregation of America

(referred to as OU), Badatz Igud Harabanim Manchester, OK, Circle K and Triangle K) and rabbis of local Jewish congregations abroad. For more information, see “Government Regulation” in this section below.

Our products are packaged by various manufacturers and suppliers abroad and labeled in Hebrew, English and, in certain cases, Arabic and Russian, in accordance with our instructions and applicable law. For more information, see “Government Regulation” in this section below.

Suppliers

We purchase food products from over 125 suppliers all over the world.

In addition, we actively maintain contact with our suppliers world-wide through which we assess, on an on-going basis, world market trends, fluctuations in prices, and other issues relevant to our business. Our management and personnel visit food trade fairs world-wide on a regular basis and endeavor to create new business relationships with potential suppliers.

Certain of the products we import are seasonal agricultural products, such as artichokes, cherries, mushrooms, eggplants and peaches. In order to ensure a continued supply of these seasonal items, we generally make arrangements with the producers of such products at the beginning of the season for the terms of purchase of such items for the upcoming year.

Major purchases from our suppliers outside of Israel are made in U.S. Dollars and Euros, with the remaining purchases made in other foreign currencies. Supply is generally made to us against letters of credit for a period of up to 90 days. No single supplier provides us with the majority of our products, most of which we purchase from several suppliers.

In 2025, we purchased several products from one supplier, of which accounted for more than 12% of our total purchases in 2025.

The average volume of our credit balance with our suppliers in 2025 was NIS 26 million (US\$ 8.2 million) consisting of 24 days of supplier's credit on average.

Customers

The Company's products are marketed and sold to approximately 1,500 customers and approximately 3,000 selling points throughout Israel and outside of Israel.

The Company's customers generally fall within one of the following three groups:

- large retail supermarket chains,
- small retail supermarket chains, and
- other customers, including small private grocery shops, government institutions, wholesalers, restaurants, hotels, and hospitals.

The first group of customers above includes the large retail food marketing chains: Shufersal Ltd, Rami-Levy Ltd, Osher-Ad, Viktory, Yohananof, Mahsanei Hashuk, Freshmarket and others. Large retail food marketing chains usually have dozens of stores with nationwide deployment.

The Company contracts with large retail supermarket chains through the procurement managers in the head office, after which the Company receives ongoing orders from the supermarket chain's logistics center or directly from individual stores. Merchandise is then delivered directly to each store or to the supermarket chain's logistics centers. Simultaneous with closing of wholesale prices with the procurement managers at the chains' head offices, quantities of the products to be actually supplied to the stores are routinely determined directly by the stores.

A number of provisions in the Israeli law for the enhancement of competition in the food and Pharmaceuticals sectors(the “Food Law”) apply to the Company, since the company is considered "a large supplier" according to the food law, including in the relationship with retail customers such as the large retailers mentioned above, that are considered as such pursuant to the Food Law.

Such provisions include, inter alia, a prohibition on any interference on the part of any supplier in any retailer's determination of the consumer resale price that such retailer will collect on another suppliers' merchandise, or the terms thereof; a prohibition on any retailers interfering in any way with a supplier, regarding what resale prices another retailer will charge for those products, or the terms thereof; a ban on suppliers transferring payments (in cash or cash equivalents) to a large retailer, other than by lowering the whole price per unit of a product, subject to certain exceptions; a prohibition on large suppliers on interfering in any way in the arrangement of products at a large retailer stores (except with certain large retailers or certain cases), interfering with a large retailer in the resale price

per product collected by that retailer for that supplier's products, the allocation of a large retailer of any share of sales space for that supplier's products, the purchase of products provided by that supplier on any scale in proportion to the retailer's purchase of the product or alternative products from other suppliers; and a prohibition on large suppliers on interfering in the purchase or sale of products provided to a retailer by another supplier, including quantities and purchase targets, sales space allocated to another supplier in stores and other commercial terms.

The second group of customers includes small retail supermarket chains of up to 15 stores, usually in a regional deployment. Such retailers that sell certain products regularly, usually considered a retailer according to the Food Law and accordingly the prohibitions above that apply to retailers in general (rather than to a large retailers) shall also apply to dealings with them.

Generally, the Company's engagement with retail chains does not involve any kind of exclusivity, or other obligatory terms of operations. Prior to entering into an engagement with such customer, the Company check the customer's financial stability and determines the scope of credit to assign to and the sureties to obtain from such customer. Small retail chains are generally requested to provide deferred checks as sureties, and some are requested to provide additional sureties, including promissory notes, personal guarantees and bank guarantees. In addition, the Company insures most of its small retail chains with credit insurance.

Generally, the Company's engagement with retail chains does not involve any kind of exclusivity, or other obligatory terms of operations. Prior to entering into an engagement with such customer, the Company check the customer's financial stability and determines the scope of credit to assign to and the sureties to obtain from such customer. Small retail chains are generally requested to provide deferred checks as sureties, and some are requested to provide additional sureties, including promissory notes, personal guarantees and bank guarantees. In addition, the Company insures most of its small retail chains with credit insurance.

The wholesale prices to small retail chains are determined in negotiations that occur frequently, usually on a monthly basis, owing to the lack of uniformity in the purchase terms for different products from different manufacturers, and to variable market conditions.

The Company's sales by customer group for the years ended December 31, 2025, 2024 and 2023 were as follows:

Customer Group	Percentage of Total Sales Year Ended December 31		
	2025	2024	2023
Large retail supermarket chains	55%	53%	53%
Small supermarket chains	15%	15%	14%
Institutional market - wholesalers	9%	10%	10%
Private customers	8%	6%	6%
Institutional market - catering and restaurants	7%	7%	9%
Government customers	1%	3%	3%
Other customers	5%	6%	5%
	100%	100%	100%

The table below shows the Company's revenues from major groups of products that contributed 10% or more to the Company's total revenues in the years 2023 to 2025:

	Year ended December 31,			
	2025 NIS	2024 NIS	2023 NIS	2025 US Dollars
Canned Vegetables Fruits and Pickles	110,255	104,027	86,212	34,563
Dairy and Dairy Substitute Products	213,480	209,974	212,728	66,608
Canned Fish	86,302	83,056	74,750	27,367
Cereals, rice and pastas	74,577	59,026	61,573	23,378
Oils	47,942	46,727	43,058	15,029
Other	78,049	72,985	64,941	24,467

The average aggregate receivable balance of the Company's customers with the Company in 2025 was NIS 182 million (USD 57.0 million) and the average time period within which our trade receivable was paid was 92 days.

In the event that a small retail supermarket chain or other customer does not respect its financial commitments, the Company may elect to foreclose on the collateral, or the promissory note provided by such customer. The Company has not made significant use

of this foreclosure power since 2008. The Company strives to minimize its credit risk by constantly reviewing the credit it extends to customers versus the security it receives. As a result of such review, the Company has ceased selling products to certain customers and considerably reduced sales to other customers and may continue to do so.

Distribution, Marketing and Sales

The Company principally distributes and markets its products using internal sales agents, although with sales of certain products to clients situated in different areas of Israel, the Company utilizes external distributors, with whom it does not have exclusivity agreements.

The Company generally has no written agreements with its customers, nor are its arrangements with its customers on an exclusive or binding basis. The Company generally extends its customers approximately 60-90 days credit, and in limited cases more than 90 days credit, beginning at the end of the month in which the sale took place. Most of the large retail supermarket chains generally effect payment by wire transfers or cash payments on the due date, while other customers are generally required to provide post-dated promissory notes at least one month prior to the date of the expected payment. The Company does not require large retail supermarket chains to provide any kind of security for payments; however, other customers may be required to provide security, including personal guarantees.

Sales are made by the placement of customers' orders (except for part of the dairy and dairy substitute products), which are directed to the Company's regional office and placed by the sales personnel or directly by the customers. Orders are delivered by the Company's transport network and by independent transporters. In certain cases, the Company transports products directly from port to customers, utilizing the services of independent transporters. In some instances, the Company transfers the merchandise to the logistics centers of the supermarket chains, and the supermarket chains themselves are responsible for the distribution of the merchandise to their chain stores for a commission charged to the Company.

The sale of most of our dairy and dairy substitute products is performed by external distributors, "van sale" sales agents using small terminals. The sales agents supply these products immediately from the stock of products in the refrigeration trucks in which they travel.

Some of the marketing and distribution to institutional clients in the private sector (such as hotels, police, prisons, the Ministry of Defense and "kibbutz" collective settlements) is done by winning tenders, direct distribution or by wholesalers.

With imported products, the Company generally holds an inventory of products which the Company believes to be sufficient to meet market requirements for a period of up to 70 days. Occasionally, the Company may take advantage of low-priced merchandise and purchase larger amounts than usual of a product with long shelf life. In those cases, the inventory may be sufficient to meet market requirements for more than 70 days. Products ordered by customers in full container loads are generally forwarded directly to the customers' facilities without being stored in the Company's facilities. The Company does not regularly maintain a significant backlog of orders from customers; orders received by customers are generally filled within one week. The Company's inventory as of December 31, 2025 amounted to NIS 94.1 million (USD 29.5 million) compared with NIS 98.2 million (USD 30.8 million) as of December 31, 2024.

The Company maintains close contact with its consumers in an effort to be attentive to market needs, market trends, and demand for certain products in various markets. The Company also regularly gathers information on new products manufactured world-wide, including by attending food exhibitions and maintaining close relations with manufacturers and suppliers world-wide.

The Company is responsible for the products it markets in Israel under the Israeli Law of "Liability for Defective Products Law, 1980" and it has also purchased an insurance policy for product liability claims.

Seasonality

Each year as the Jewish holidays of Pesach (Passover, celebrated in March-April), Shavuot (celebrated in May) and Rosh Hashana (celebrated in September-October) approach, the Company normally increases its inventories in order to meet the expected increase in market demand prior to such holidays. Despite the impact of the holiday season on the Company's activities, the Company's quarterly sales are not materially affected as a result of these changes.

Competition

The food distribution business in Israel is highly competitive with respect to imported, as well as locally manufactured, food products. The Company faces direct competition both from local manufacturers and from a number of importers of food products, and the food market in Israel is very price sensitive. The Company's competitors include Shemen, Tomer, Taaman, Solbar and Y.T.V Foods

Industries Ltd with respect to edible oils; Fodor (Starkist and Yona), Posidon and Williger of the Neto Group, Filtuna, and Shastowitz with respect to fish products; Yachin-Zan laKol, Williger of the Neto Group, Sugat and Tomer with respect to canned fruit and vegetable products; Osem, Barila, Williger of the Neto Group, Taaman and Tomer with respect to pasta products; and Tnuva, Tara, Strauss, Seyman, and Gad Dairy with respect to dairy and dairy substitute products.

For each of the categories of products distributed by the Company, there exists competition from dozens of local manufacturers and importers. The barriers to entry in the food market are low, and new potential competitors are constantly joining the market. In addition to new-comers to the food business, the Company faces competition from existing importers and/or manufacturers currently not offering the same lines of products as the Company.

For example, certain of the products imported by the Company, such as canned fish, corn flakes, edible oils, certain pickles, olives, pasta, cereal, sweet pastry and crackers and certain dairy products, are also produced by local manufacturers in Israel. Local producers are not subject to the financial risks of importing food products or to governmental policies regarding taxation of imported food products to which the Company is subject.

To the Company's knowledge, several of its competitors are substantially more established, have greater market recognition and have greater financial, marketing, human and other resources than those of the Company. If any of the Company's major competitors materially reduces prices, the Company would experience significantly more competitive pressure and a decrease in profitability. The Company cannot predict whether it could successfully compete with these pressures and, if it were unable to do so, the Company's business would be adversely impacted.

Intellectual Property Rights

The Company markets certain products under the trademark "Willi-Food", which was approved for registration in Israel in May 1997 for certain uses relating to the food industry. In 2015, the trademark's validity was extended for an additional ten years.. The Company markets certain product under the trademark "Euro European Dairies", which was approved for registration in Israel in September 2019.

The Company also markets cheeses and cheese substitutes such as "Ha-Bulgaria", which was registered in Israel in June 2009.

Other products marketed by the Company under their original brand names are "Completa", "Wyke", "Muratbey", "Nobelesa Gaucha", "Sera", "Daawat", "Zanetti", "Ferro", "Hahne", "El Pastor", "Valio", "Italpizza" and "Kolios".

The Company imports private label products for its costumers under their brand name ("Yochananof", "Osher Ad", "Ramy Levy" and more).

There can be no assurances as to the degree of protection registration of the Company's trademarks will afford.

The Company's investment in registering these trademarks was insignificant.

Government Regulation

The import, export, storage, distribution, manufacturing, marketing and labeling of food products is subject to extensive regulation and licensing by various Israeli government and municipal agencies, principally the Ministry of Health, the Ministry of Finance and the Ministry of Economy. Failure to comply with these applicable laws and regulations could subject us to civil sanctions, including fines, injunctions, recalls or seizures, as well as potential criminal sanctions, any of which could have a material adverse effect on us. We believe that we comply in all material respects with the above-mentioned requirements. To the extent that the Company exports food products outside of Israel, we may be subject to quotas and other laws and regulations of the country to which we export which may limit our ability to sell certain of our food products into these countries.

In 1978, the Israeli government issued the free import decree, which exempted the import of most food products from the requirement to obtain a license. However, preliminary permits from the Ministry of Health or the Ministry of Agriculture are still required. These preliminary permits are granted based on laboratory analysis reports and other data.

Customs duties and charges are levied on a portion of the Company's products imported into Israel. In addition, the Company is required to obtain import licenses for the import of certain food products from the Ministry of Economy. The Company has also obtained the necessary authorization required by the Ministry of Health (Food Authority) for the import of all of its food products to Israel. The Company's products are packaged by various manufacturers and suppliers abroad and labeled in Hebrew, English and, in certain cases, Arabic and Russian, according to the Company's instructions and the requirements of the Israeli authorities. In the past,

the Company has occasionally been found to have mislabeled packages, as a result of which it was required to pay an immaterial number of fines.

Customs duty applies to various food products in Israel, including cheese, frozen vegetable, oils, tinned goods and other food products imported by the Company. In May 2014, the Ministry of Finance published a notice regarding a government decision in connection with increasing the tax-exempt import quotas of hard cheese and butter (hereafter – “Tax Exempt Import Quotas”) whereby importers undertake to sell the products to the end customer at a relatively low price. Further to the aforesaid resolution, the Ministry of Economy published, for the first time, a competitive process in which companies can win Tax Exempt Import Quotas. The Company participated in this process and won some of these quotas while committing to sell the products to the end customer at a relatively low price. In subsequent years, the Ministry of Economy has continued to publish annual tenders for Tax Exempt Import Quotas against winners undertaking to sell the imported products at a relatively low price to the end customer and to meet a minimum sale target in respect of the goods in question. The Company has participated in these annual tenders and won some of these quotas. As part of the tender process, the Company was required to provide financial guarantees and participate in audit procedures on behalf of the Ministry of Economy for the purpose of assessing its compliance with its undertakings. The Company successfully passed most of the audit procedures, apart from immaterial breaches in which immaterial amounts, which were provided by the Company, were forfeited, and an import quota which the Company was supposed to receive was cancelled. Pursuant to the terms of the tenders, a breach of undertakings in the tender process may result, among other things, in forfeiture of guarantees and in the imposition of sanctions in the form of non-issuance of tax-exempt import quotas as part of the competitive process for a period of no more than five years.

During September 2022, the Minister of Finance signed an order to cancel the customs duty on the import of food products. The plan includes, among other things, the cancellation of the customs duty on oils, canned fish, sauces, dried fruits, pastries, jams and snacks.

During January 2023, the Minister of Finance signed an order to cancel the customs duty on a variety of cheese products. As part of the decree, an exemption applies, among other things, to the import of soft cheeses with a fat percentage less than 5%, an exemption to the import of fresh soft mozzarella cheese, an exemption to the import of haloumi cheese, and more.

Most of the products which the Company imports and markets are approved as kosher by and/or under the supervision of various supervisory institutions including the Chief Rabbinate of Israel, Chug Chatam Sofer, Badatz Edeh HaChareidis, certain Jewish organizations administering Kashrut procedures and certifications (such as the Union of the Orthodox Jewish Congregation of America (OU), Badatz Igud Harabanim Manchester, OK, Circle K and Triangle K) and rabbis of local Jewish congregations abroad. Such procedures include, in certain cases, personal supervision by a Kashrut supervisor sent by such institutions to the manufacturing facilities from which the Company purchases products, who is present at the plant during the processing of the product. Under Israeli law, the Company is required to ascertain that the kosher foodstuffs which it offers for sale bear kosher certification approved by certain authorities, such as the Chief Rabbinate of Israel, and also bear the name of the individual authorized to certify such product. It is clarified that the Company's imported foodstuff, which are marketed as kosher in Israel, are approved by the Chief Rabbinate of Israel.

C. ORGANIZATIONAL STRUCTURE

The Company has three wholly owned active subsidiaries, each of which is an Israeli corporation:

- W.F.D. (Import, Marketing and Trading) Ltd. (“WFD”)
- W. Capital Ltd. (“W. Capital”)
- Euro European Dairies Ltd.

WFD

WFD was incorporated in 1995. Its activities are engaging in occasional importation of food products.

W. Capital

W. Capital was incorporated in 2014 and engages in capital market investments.

Euro European Dairies Ltd.

Euro European Dairies was acquired in 2001 and is engaged in designing, developing and importing frozen and chilled food products for private and institutional customers. The products are distributed by the Company. Products are labeled in Hebrew, English, and in certain cases, Arabic and Russian. Euro European Dairies is working towards broadening the variety of products that it develops and distributes. The Company also engages in capital market investments.

D. PROPERTY, PLANTS AND EQUIPMENT

The Company's principal executive offices are situated at a logistics center in the northern industrial zone of Yavne, at 4 Nahal Harif St., Israel. The logistics center, which is owned by Company, is 8,526 square meters (approximately 92,000 square feet).

In addition to the current logistics center, the Company makes use of so-called "free" warehouse services. For such services, the Company is charged only for storage per container or pallet. The Company's expenses for usage of free warehouses services were NIS 8,477 thousand (USD 2,657 thousand) for the year ended December 31, 2025 and NIS 5,012 thousand (USD 1,571 thousand) for the year ended December 31, 2024.

As of December 31, 2025, the Company owned 14 trucks. Eleven of them are capable of transporting refrigerated and frozen products.

In May 2023 the Company began the construction a new logistic center. The estimated start date of the new logistics center activity is expected to be in the fourth quarter of 2026. Once completed, the logistics center expansion will provide the Company with additional storage of approximately 11,000 cooled / frozen surfaces compared to 8,500 dry / cooled / frozen surfaces currently available to the Company. The estimated cost of the entire project is approximately NIS 125 million (NIS 28.2 million invested during 2025). Schedule and costs estimates may vary as a result of events beyond the Company's control and changes in commercial terms.

ITEM 4A. UNRESOLVED STAFF COMMENTS

Not applicable.

ITEM 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with the consolidated financial statements and related notes included elsewhere in this Annual Report. Some of the information contained in this discussion and analysis includes forward-looking statements that involve risks and uncertainties. You should review the sections titled "Cautionary Note Regarding Forward-Looking Statements" and "Risk Factors" for a discussion of forward-looking statements and important factors that could cause actual results to differ materially from the results described in or implied by the forward-looking statements contained in the following discussion and analysis.

Overview

The Company is engaged, directly and through its subsidiaries, in the design, import, marketing and distribution of a broad range of food products purchased from over 125 suppliers worldwide and marketed throughout Israel and abroad. The products imported by the Company are marketed in Israel and sold to approximately 1,500 customers and 3,000 selling points, including supermarket chains, mini-markets, wholesalers, manufacturers and institutional consumers.

Critical Accounting Policies

Management's discussion and analysis is based upon the consolidated financial statements, which have been prepared in accordance with IFRS as issued by the IASB for all reporting periods presented. The use of IFRS Standards requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting accounting periods presented. These estimates include, among other things, assessing the collectability of trade receivable and the use of recoverability of inventory. Actual results could differ from those estimates. The markets of the Company's products are characterized by intense competition and a rapid turnover of products and frequent introductions of new products, all of which may impact future ability to value the Company's assets.

The following critical accounting policies may affect significant judgments and estimates used in the preparation of the consolidated financial statements.

Recognition of Revenue

IFRS 15 – “Revenue from Contracts with Customers” is mandatory for reporting periods starting on January 1, 2018.

Revenue is measured and in accordance with the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties. receivable under the terms of the contract, net of the amounts collected on behalf of third parties (such as taxes).

Revenue is recognized in the consolidated statements of income at a point in time when control of the goods has transferred to the customer. This is generally when the goods are delivered to the customer.

The Company is engaged mainly in the sale of food products in the Israeli market. Revenue from sale of goods is recognized when control of the goods has transferred to the buyer, generally being when the goods arrived to the buyer’s specific location. Upon receipt of the goods, the buyer has full discretion over the distribution channels and price to sell the goods; the buyer has principal responsibility upon sale of the goods and it bears the risks of obsolescence and/or loss of the goods. After delivery of the goods, the Company recognizes receivables in respect of the sale since as of that point in time the consideration is unconditional. In most cases, the Company enables specific customers to return products which they have not sold, despite that there is no agreement between the Company and its customers regarding such returns and the Company does not have a formal policy regarding such returns. Accordingly, the Company recognizes a provision for return of goods against a decrease in revenues and a corresponding inventory asset against the right to return the goods. The amount of the asset is determined based on the lower of cost and net realizable value. Past experience is used by the Company to estimate the number and the amount of returns. Based on past experience, the Company estimates, with a high level of probability that no significant portion of revenue recognized in respect of sale of goods will be reversed.

Inventories

Inventories are assets held for sale in the ordinary course of business, in the process of production for such sale or in the form of materials or supplies to be consumed in the production process or in the rendering of services.

Inventories are stated at the lower of cost and net realizable value. Cost of inventories includes all the cost of purchase, direct labor, fixed and variable production overheads and other cost that are incurred, in bringing the inventories to their present location and condition.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Cost is calculated using the weighted average cost method.

The Group records a provision for slow moving inventory in respect of inventory items estimated by management not to be realized due to expiration date. The slow-moving inventory is based on the historic realization rate of the respective item as well as on management's estimate with respect to its future realization rate.

Contingent liabilities and legal proceedings

In estimating the likelihood of the outcome of legal claims filed against the Company and its investees, management considers the facts and circumstances, as well as the opinion of Company's legal counsel. These estimates are based on professional judgment, taking into account, inter alia, the stage of proceedings and legal precedents in respect of the different issues. Since the outcome of the claims will be determined in court, the results could differ from these estimates.

A. RESULTS OF OPERATIONS

The following table sets forth for the periods indicated the correlation (in percentages) between items from the Company's statements of operations to its total sales for such periods:

	Year Ended December 31, 2025	Year Ended December 31, 2024
Revenues	610,605	575,795
Cost of Sales	435,781	414,461
Gross Profit	174,824	161,334
Selling Expenses	71,721	68,893
General and Administrative Expenses	28,767	26,165
Operating profit before other expenses (income)	74,336	66,276
Other expenses (Income)	(95)	11,402
Operating profit	74,431	54,874
Financial Income, Net	42,156	37,808
Profit before taxes on income	116,587	92,682
Taxes on income	(26,156)	(22,367)
Net Income	90,431	70,315

Year Ended December 31, 2025 compared with Year Ended December 31, 2024

Revenues for fiscal year 2025 increased by 6.0% to NIS 610.6 million (USD 191.4 million) from NIS 575.8 million (USD 180.5 million) recorded in fiscal year 2024. The increase was primarily due to an increase in inventory levels and improved product availability, which supported the growing demand for its products. The increase also reflects higher demand for the Company's products.

Gross profit for fiscal year 2025 increased by 8.4% to NIS 174.8 million (US\$ 54.8 million), or 28.6% of revenues, from NIS 161.3 million (US\$ 50.6 million), or 28.0% of revenues recorded in fiscal year 2024. The increases in gross profit and gross margins were due to the Company's efforts to improve its commercial terms with its customers and suppliers, focus on selling a more profitable products portfolio and favorable exchange rates compared to 2024.

Selling expenses for fiscal year 2025 increased by 4.1% to NIS 71.7 million (US\$ 22.4 million), or 11.7% of revenues, from NIS 68.9 million (US\$ 21.6 million), or 12.0% of revenues recorded in fiscal year 2024. The increase was primarily due to employee compensation tied to the Company's sales performance, as well as an increase in transportation and other logistics costs.

General and administrative expenses for fiscal year 2025 increased by 9.9% to NIS 28.8 million (US\$ 9.0 million), or 4.7% of revenues, from NIS 26.2 million (US\$ 8.2 million), or 4.5% of revenues recorded in fiscal year 2024. The increase was primarily due to the provision for profit-based compensation to senior management resulting from the higher operating profit and the results of the share-based payment program.

Operating profit before other expenses (income) for fiscal year 2025 increased by 12.2% to NIS 74.4 million (US\$ 23.3 million), or 12.2% of revenues, from NIS 66.3 million (US\$ 20.8 million), or 11.5% of revenues, recorded in fiscal year 2024. The increase was primarily due to the increase in gross profit.

Other expenses for fiscal year 2025 were 0. Other expenses for the corresponding period in 2024 were NIS 11.6 million (US\$ 3.5 million), primarily related to an agreement the Company reached with the Israel Competition Authority to pay an administrative fine.

Operating profit for fiscal year 2025 increased by 35.6% to NIS 74.4 million (US\$ 23.3 million), or 12.2% of revenues, from NIS 54.9 million (US\$ 17.2 million), or 9.5% of revenues, recorded in fiscal year 2024. This increase was primarily due to the increase in gross profit and a reduction in operating expenses compared to sales being offset by the administrative fine of NIS 11.6 million (US\$ 3.6 million).

Financial income, net, for fiscal year 2025 totaled NIS 42.2 million (US\$ 13.2 million), compared to NIS 37.8 million (US\$ 11.8 million) recorded in fiscal year 2024. Financial income, net, for fiscal year 2025 was comprised mainly of the revaluation of the Company's portfolio of securities in the amount of NIS 33.0 million (US\$ 10.3 million) and interest and dividend income from the Company's portfolio of securities in an amount of NIS 10.6 million (US\$ 3.3 million).

Profit before taxes on income for fiscal year 2025 was NIS 116.6 million (US\$ 36.6 million), compared to NIS 92.7 million (US\$ 29.1 million) in fiscal year 2024.

Taxes on Income for fiscal year 2025 increased by 16.9% to NIS 26.2 million (USD 8.2 million) from NIS 22.4 million (USD 7.0 million) recorded in fiscal year 2024. For more information, see Note 10 (Taxes on income) of our financial statements for the year ended December 31, 2025 included in this Annual Report.

Net profit for the year for fiscal year 2025 increased by 28.6% to NIS 90,431 thousand (USD 28,349 thousand), or NIS 6.49 (USD 2.04) per share from NIS 70,315 thousand (USD 19,282 thousand) or NIS 5.07 (USD 1.59) per share recorded in fiscal year 2024.

Year Ended December 31, 2025 compared with Year Ended December 31, 2024

This analysis can be found in Item 5 of the Company's Annual Report on Form 20-F for the year ended December 31, 2024.

B. LIQUIDITY AND CAPITAL RESOURCES.

The Company's operations are funded mainly through its own equity and cash flows from its operating activities. In addition, the Company has unutilized bank credit lines.

As of December 31, 2025, cash and cash equivalents were NIS 124.2 million (USD 38.9 million), compared to NIS 122.9 million (USD 38.5 million) as of December 31, 2024.

As of December 31, 2025, financial assets at fair value through profit or loss were 124.6 million (USD 39.1 million), compared to NIS 123.2 million (USD 38.6 million) as of December 31, 2024.

Net cash provided by operating activities

During the fiscal year ended December 31, 2025, net cash from operating activities was approximately NIS 58.8 million (USD 18.4 million) compared to net cash from operating activities of NIS 42.9 million (USD 13.5 million) during the fiscal year ended December 31, 2024. Net cash from operating activities during the fiscal year ended December 31, 2025 was driven by ongoing profit of the Company in the amount of NIS 90.4 million (USD 28.3 million) with net of working capital investments such as inventory and trade receivables in the amount of NIS 31.6 million (USD 9.9 million).

Net cash used in investing activities

During the fiscal year ended December 31, 2025 net cash used in investing activities was approximately NIS 4.1 million (USD 1.3 million) compared to net cash used in investing activities NIS 45.7 million (USD 14.3 million) in fiscal year ended December 31, 2024. The Company's investing activities consist primarily of acquisition of property plant and equipment mainly from investing in the new logistic center and proceeds from sales of marketable securities.

Net cash used in financing activities

During the fiscal year ended December 31, 2025 net cash used to finance activities was approximately NIS 51.8 million (USD 16.2 million) compared to net cash used to financing activities of approximately NIS 12.3 million (USD 3.9 million) in fiscal year ended December 31, 2024. Financing activities in 2025 was primarily due to dividend distribution.

Cash requirements

The Company's cash requirements, net, during the years ended December 31, 2025 and 2024 were met primarily through its working capital. As of December 31, 2025, the Company had working capital of NIS 480.6 million (USD 150.7 million) compared to working capital of NIS 463.9 million (USD 145.4 million) as of December 31, 2024. The Company believes that its working capital is sufficient for its present requirements.

Trade receivables

The Company's trade receivable balance as of December 31, 2025 and 2024 was NIS 181.8 million (USD 57.0 million) and NIS 171.3 million (USD 53.7 million), respectively. The average time period within which our trade receivable was paid was 92 days in 2025 and 90 days in 2024.

Impact of Inflation and Devaluation on Results of Operations, Liabilities and Assets

The exchange rate of the U.S. Dollar was NIS 3.19 on December 31, 2025 compared to NIS 3.647 on December 31, 2024.

The annual rates of inflation in Israel during the year ended December 31, 2025 was 2.5% while during such period the revaluation of the NIS against the U.S. Dollar was approximately 2.5%

A revaluation of the NIS in relation to the U.S. Dollar has the effect of increasing the U.S. Dollar value of any assets of the Company which consist of NIS or receivables payable in NIS. Such a revaluation also has the effect of increasing the U.S. Dollar amount of any liabilities of the Company which are payable in NIS (unless such payables are linked to the Dollar). Conversely, any decrease in the value of the NIS in relation to the U.S. Dollar has the effect of decreasing the U.S. Dollar value of any linked NIS assets of the Company and the U.S. Dollar amount of any linked NIS liabilities of the Company.

The dollar cost of the Company's operations in Israel is influenced by the extent to which any increase in the rate of inflation in Israel over the rate of inflation in the United States is offset by the devaluation of the NIS in relation to the U.S. Dollar.

Guarantees and Pledges

Other than letters of credit granted by the Company to some of its suppliers, the Company has no obligation or use credit lines to the banks or to other party. The outstanding amount of such letters of credit as of December 31, 2025 was approximately NIS 1.4 million (USD 0.4 million).

The Company provides bank guarantees which most of it for the purpose of securing its obligations to sell products at a subsidized price to the end consumer as part of the procedure for obtaining import quotas from the Ministry of Economy for various products, mainly cheeses. The total bank guarantee that the Company provided as of December 31, 2025 was NIS 11.4 million.

C. RESEARCH AND DEVELOPMENT, PATENTS AND LICENSES

Not applicable

D. TREND INFORMATION

In recent years, there has been an increase in the offerings of lower cost private label products by the large retail chains which compete with our products, resulting in a greater price competition and an increase in our cost of sales as a percentage of total revenues.

The food industry is characterized by a high level of competition and limited consumer loyalty. The sector is dynamic, responding to the demands, needs and various tastes of an audience numbering millions of Israeli consumers.

Recent years have seen a strengthening of private brands marketed by large supermarket chains. The marketing of these private brands strengthens competition; however, it also allows the Company to integrate into this market by marketing its products as private brands to the large supermarket chains.

In addition, various macro-economic factors impact the food industry, including the macro-economic environment in Israel, which includes the following:

Local activity – According to the Bank of Israel, GDP is expected to grow at the rate of 5.2% and 4.3% in the years 2026 and 2027, respectively. This growth is expected to be driven by accelerated private consumption, continued investment in assets and the recovery from the war.

Labor market activity – There was a decline in the unemployment rate from 3.1% at the end of 2024 to 3.0% at the end of 2025.

Inflation environment – The annual inflation rate in Israel in 2025 was 2.5%. Inflation expectations for longer terms (over two years) continue to be anchored in the target area. The Company's activity is exposed to risks arising from changes in the inflation rate. The Company did not enter into agreements and/or index-linked loans in 2025.

Fiscal policy – Against the background of the war, the deficit in the government budget decreased in 2025 and amounted to 4.7% of GDP compared to a rate of 7.7% of GDP in 2024. The deficit in the updated budget for 2026 is expected to be 3.9% of GDP and the debt-to-GDP ratio is expected to rise to 68.5% at the end of 2026, from a rate of about 68% on December 31, 2024.

Monetary policy – On November 24, 2025, the Bank of Israel lowered the interest rate to 4.25%. At the beginning of 2025, on January 5, 2025 the Monetary Committee lowered the interest rate to 4.0%.

In addition, the Company's management is evaluating the financial stability of its customers by entering into agreements with companies for providing business data, examining bank accounts, conducting inquiries, and following negative publicity regarding its customers or other signs indicating financial difficulties.

E. CRITICAL ACCOUNTING ESTIMATES AND INDICATE

N/A, as the Company prepared its financial statements under IFRS.

ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

A. DIRECTORS AND SENIOR MANAGEMENT

The directors, executive officers and key employees of the Company as of the date of this Annual Report are as follows:

<u>Name</u>	<u>Age</u>	<u>Position with the Company</u>
Joseph Williger	68	Director, and Chief Executive Officer
Zwi Williger	70	Director, Chairman of the Board
Yitschak Barabi	41	Chief Financial Officer
Ran Asulin	42	Chief Trade and Selling Officer
Shlomo Gold	65	Director
Ayelet Nir (1) (2)	55	External Director
Idan Ben-Shitrit (1) (2)	50	External Director

(1) Member of the Audit Committee

(2) Member of the Compensation Committee

The Directors are elected at the annual general meeting of shareholders and hold office until the next annual general meeting of shareholders and until their successors have been elected. Officers serve at the discretion of the Board, subject to the terms of any agreement between officers and the Company.

The business experience of each of the Directors, executive officers and key employees of the Company is set forth below:

Joseph Williger has served as the Company's Chief Executive Officer since March 2023, as a director of the Company and as a director of Willi-Food the controlling shareholder of the Company since June 2017. From January 1994 until September 2011, he

served as the Chief Executive Officer of the Company and from September 2011 (when he ceased serving as Chief Executive Officer of the Company) until January 2016 he served as President of the Company. Mr. Williger has also served as a director of the Company from January 1994 until January 2016 and the chairman of the company's subsidiaries, WFD and Gold Frost, from 1996 and 2001, respectively, until January 2016. Mr. Williger attended Business Administration studies in California State University, Northridge, Los Angeles and attended Business Administration studies in Bar Ilan University, Ramat-Gan, Israel.

Zwi Williger has served as the active Chairman of the Board and as Chairman of the board of Willi Food Investments since August 17, 2017, and June 12, 2017, respectively. Mr. Zwi Williger has also served as director of BSD since May 2017. In addition, from January 1994 until January 2016 he served as active Chairman of the Board and as director and CEO of Willi Food Investments. Prior to that, from the inception of the Company in 1994 and until 1997, Mr. Williger served as the Company's director and Manager of Marketing Development. In addition, Mr. Zwi Williger served as the Company's Chief Operating Officer from 1997 until 2011. Mr. Williger attended the Business Administration School of Fresno University in California and an Advanced Management Course at Harvard University.

Yitschak Barabi has served as Chief Financial Officer of the Company and Willi-Food since July 2019. On November 11, 2024 Mr. Yitschak Barabi was also appointed as acting Chief Executive Officer of Willi-Food Investments. Prior to his appointment and since May 2015, Mr. Barabi served other senior positions at the Company and at Willi-Food Investments, such as the Company's Controller and Deputy CFO. Mr. Barabi is certified public accountant (Israel) and holds a BA (Accounting & Economic) from the Hebrew University of Jerusalem.

Ran Asulin has served as Chief Trade and Selling Officer of the Company since March 2019. Prior to his appointment as CSO, Mr. Asulin served at the Company on other senior positions since December 2010. Mr. Asulin is holding a BA in Business Administration from the college Law and Business in Ramat Gan.

Shlomo Gold has served as a director of the Company since November 2024 and is a manager at S. Neta Investments LTD. and has acted in development of real estate project in Poland and as a business and operational manager of construction project development and revenue-generating properties in several European countries. Mr. Gold served as CEO of New Horizon Group LTD., a public company traded in Tel Aviv Stock Exchange involved in initiating real estate projects in Europe and the United States. Mr. Gold earned his Bachelor of Arts (BA) in Statistics and Social Science from the Haifa University.

Idan Ben-Shitrit has served as external director of the Company since August 2018. From 2009 to 2016, he served as a portfolio manager at Meitav Co. & Altris Co. Since 2017, he has served as a self-employed hedge fund manager, a wealth management advisor for private clients and as an advisor in the finance and investment sector. Mr. Idan earned a Bachelor of Arts degree in Mathematics and Economics from Tel-Aviv University and an MBA in Finance from IDC in Herzliya, Israel.

Ayelet Nir has served as an external director of the Company since November 2024 and chairwoman of the investment committee of a pension and provident fund company. In addition, Ms. Nir has acted in economic research, serving as the chief economist and head of research departments at two Israeli investment firms (IBI Investment House and Psagot Investment House). Ms. Nir holds a master's degree in economics from Tel Aviv University and an investment marketing license from the Israel Securities Authority. On February 17, 2026, Ms. Nir notified the Company of her resignation as an external director, effective May 31, 2026. Ms. Nir's resignation was for personal reasons and not as a result of any disagreement with the Company on any matter relating to the Company's operations, policies or practices.

B. COMPENSATION

The table below reflects the compensation granted to our five most highly compensated office holders (as defined in the Companies Law) during or with respect to the year ended December 31, 2025. We refer to the five individuals for whom disclosure is provided herein as our "Covered Executives." For purposes of the table below, "compensation" includes amounts accrued or paid in connection with management fees, salary cost, consultancy fees, bonuses, equity-based compensation, retirement or termination payments, benefits and perquisites such as car, phone and social benefits and any undertaking to provide such compensation. All amounts reported in the table are in terms of cost to the Company, as recognized in our financial statements for the year ended December 31, 2025, plus compensation paid to such Covered Executives following the end of the year in respect of services provided during the year. Each of the Covered Executives was covered by our D&O liability insurance policy and was entitled to indemnification and exemption in accordance with applicable law and our articles of association.

Name and Principal Position	Salary (1)	Management Fees (2)	Bonus (3)	Options (4)	Total
		NIS thousands			
Zwi Williger (4) Chairman of the Board	-	1,518	2,400	504	4,423
Joseph Williger (4) CEO and Former Co-Chairman of the Board	-	1,597	2,400	504	4,501
Yitschak Barabi Chief Financial Officer	805	-	250	208	1,263
Ran Asulin Chief Trade and Selling Officer	767	-	225	208	1,200
Kfir Kolp Chief Operation Officer	590	-	81	84	755

- (1) Includes car and mobile phone benefits.
(2) Includes tax gross-up payments.
(3) Represents annual bonuses granted to the Covered Executive based on formulas set forth in the Company's compensation policy approved by shareholders in June 2021 and the agreements with each of the Covered Executives which was replaced by the compensation policy approved by shareholders in June 2025.

Terms of Service of Each of Mr. Zwi Williger and Mr. Joseph Williger

On February 27, 2025, our shareholders approved a new management services agreements pursuant to which Messrs. Yosef Williger and Zwi Williger are to serve as CEO of the company and chairmen of the Board of Directors, respectively. Our shareholders also approved new terms of service for each of Mr. Zwi Williger and Mr. Joseph Williger, commencing as of January 1, 2025 as follows:

(a) Monthly service fees of NIS 108,300 (USD 33.9 thousand) (excluding VAT).

(b) Profit Related Bonus - an annual bonus determined according to measurable quantitative criteria:

Payment of the Measurable Bonus will be subject to achieving an average of the minimum operating profit of the Company before bonuses during the last three (3) years (i.e., the year in which the bonus is granted and the previous two (2) years) (the "Bonuses" and "Average Operating Profit Before Bonuses", respectively) of at least NIS 40 million (USD 12.5 million) (the "Minimum Average Operating Profit before Bonuses").

Subject to the Company's achieving or exceeding the Minimum Average Operating Profit before Bonuses, the Chairman/ CEO shall be entitled to receive a bonus in the following manners: (i) a Bonus of 2.5% of the Average Profit before taxes Before Bonuses for the amount exceeding above NIS 10 million (USD 3.1 million) and up to and including NIS 15 million (USD 4.7 million); (ii) a Bonus of 3% of the Average Profit before taxes Before Bonuses for the amount exceeding above NIS 15 million and up to and including NIS 25 million (USD 7.8 million); (iii) a Bonus of 4.15% of Average Profit before taxes Before Bonuses for the amount exceeding NIS 25 million and up to and including NIS 40 million (USD 12.5 million); (iv) a Bonus of 5% of the Average Profit before taxes Before Bonuses for the amount exceeding above NIS 40 million and up to and including NIS 55 million (USD 17.2 million); and (v) a Bonus of 5.5% of the Average Profit before taxes Before Bonuses for any amount exceeding above NIS 55 million. The maximum annual Bonus to be paid to the Chairman / CEO will not exceed an amount of NIS 2.4 million (USD 752 thousand).

(c) The Company will provide the Chairman/ CEO with use of a vehicle, the value of which shall not exceed NIS 400,000 (USD 125 thousand). The Company shall allow the Chairman/ CEO to use a vehicle exceeding the value of NIS 400,000, upon the Chairman's/ CEO 's request provided that the Chairman/ CEO will reimburse the Company with any amount exceeding NIS 400,000. The Company will cover all the operating expenses of the Company car (excluding fines), including grossing up the related tax. The Company estimates the annual amount of the Company car benefits in the total amount of NIS 300,000.

(d) Benefits in general, including the social benefits of the Chairman/ CEO and income tax payments, national insurance payments and other payments due to employees in respect of their employment, are to be paid for at the sole expense of the Chairman and CEO 's Management Company. The Chairman and CEO 's Management Company has undertaken to indemnify the Company with respect to any claims against the Company with respect to employer/employee relations.

(e) The Chairman/ CEO will be included in the D&O insurance policy available to the Company and its subsidiaries under the same terms as other officers of the Company, and he will be entitled to an exemption and indemnification letter, which is identical to the form of exemption and indemnification that was approved by the General Meeting of Shareholders on July 20, 2005 for all directors and officers of the Company. It is hereby clarified that the exemption will not be valid regarding apply to any decision or transaction of the Company, in which a controlling shareholder or other officer of the Company, (including a different officer than the officer that has been granted the exemption letter) has a personal interest.

On August 7, 2025, our shareholders approved a private placement of 100,000 non-tradable options exercisable into ordinary shares of G. Willi-Food (the "Options") to each of Messrs. Zwi Williger and Joseph Williger. The principal terms of the Options are as follows:

1. Exercise Price. The exercise price of each Option is NIS 54.95 per share.
2. Vesting Period. The Options will vest over a period of three (3) years, such that one-third of the total Options granted will vest at the end of each year from the grant date.
3. Exercise Period. Each vested tranche of Options may be exercised for a period of up to two (2) years from the applicable vesting date.
4. Cashless Exercise. Messrs. Zvi Williger and Yosef Williger may, at their election, exercise the Options, in whole or in part, on a cashless basis.
5. Adjustments. The Options will be subject to customary adjustments in the event of bonus share distributions, rights offerings, dividend distributions, share splits or reverse splits, and other structural changes.
6. Termination of Employment or Engagement. In the event of termination of employment or engagement, only Options that have vested as of the termination date may be exercised. Options that have not vested as of the termination date will expire and become null and void and will not confer any rights on their holder. Options that have vested as of the termination date may be exercised for a period of up to sixty (60) days following the termination date or until the expiration date of such Options, whichever occurs earlier.

Terms of Office and Employment of Mr. Yitschak Barabi, Chief Financial Officer of the Company

Mr. Yitschak Barabi ("Mr. Barabi") has served as Acting Chief Executive Officer and the senior financial officer of Willi-Food investments since September 12, 2024, and as Chief Financial Officer of the Company since September 1, 2019.

Until May 31, 2025, Mr. Barabi was entitled to a monthly salary of NIS 40,000, a company car, mobile phone and standard social benefits customary in the group. Mr. Barabi was also entitled to an annual bonus based on the profit before taxes of G. Willi-Food, excluding bonuses, at a rate of 0.25% up to the operating profit target and 0.35% above such target, as determined annually by the Compensation Committee.

On June 24, 2025, the Board of Directors of the Company, following the approval of our Compensation Committee, approved an update to Mr. Barabi's employment terms. Pursuant to such approval, Mr. Barabi's monthly salary was increased to NIS 48,000, effective June 1, 2025, and will increase to NIS 55,000 commencing June 1, 2026. Mr. Barabi is entitled to full social benefits, including pension, severance and study fund contributions (7.5% employer contribution).

Mr. Barabi is also entitled to an annual bonus based on the operating profit of the Company for 2025, at a rate of 0.25% up to the operating profit target (excluding bonuses) and 0.35% above such target and up to the profit before taxes (excluding bonuses). The maximum annual bonus payable to Mr. Barabi will be NIS 250,000 for 2025 and NIS 275,000 commencing in 2026.

Mr. Barabi is entitled to a company vehicle or a monthly car allowance not exceeding NIS 8,000. He is also entitled to exemption, indemnification and coverage under the Company's directors' and officers' liability insurance policy, as customary in the Company.

In addition, on May 28, 2025, the Board of Directors of the Company, following the approval of our Compensation Committee, approved the grant of 30,000 options to Mr. Barabi under terms similar to those granted to Mr. Zwi Williger and Mr. Joseph Williger as described above.

Terms of Office and Employment of Mr. Ran Asulin, Chief Trade and Selling Officer of the Company

Mr. Ran Asulin has served as Chief Trade and Selling Officer since April 1, 2021.

Until June 30, 2025, Mr. Asulin was entitled to a monthly salary of NIS 40,000, a company car, mobile phone and standard social benefits customary in the group. In addition, Mr. Asulin was entitled to a bonus based on the operating profit of the Company,

excluding bonuses, at a rate of 0.25% up to the operating profit target and 0.35% above such target, as determined annually by our Compensation Committee.

On June 24, 2025, the Board of Directors of the Company, following the approval of our Compensation Committee, approved an update to Mr. Asulin's employment terms. The principal terms of Mr. Asulin's compensation are as follows:

(a) Monthly Salary (Gross)

1. Mr. Asulin's monthly salary was increased from NIS 40,000 to NIS 45,000, effective July 1, 2025.
2. Commencing July 1, 2026, Mr. Asulin's monthly salary will be increased to NIS 50,000 (gross).
3. Mr. Asulin's monthly salary includes full social benefits, including pension contributions, severance pay and a study fund (keren hishtalmut) contribution of 7.5% paid by the Company.

(b) Annual Bonus

Subject to achieving the operating profit target of G. Willi-Food for 2025, Mr. Asulin will be entitled to a bonus at a rate of 0.25% up to the operating profit target (excluding bonuses) and 0.35% above the operating profit target and up to the total operating profit (excluding bonuses). The maximum annual bonus payable to Mr. Asulin for 2025 will be NIS 200,000.

In addition, for 2025 it was agreed that if sales reach a target of NIS 600 million, Mr. Asulin will be entitled to an additional bonus of NIS 25,000, and if sales reach a target of NIS 620 million, Mr. Asulin will be entitled to an additional bonus of NIS 25,000, for a total additional bonus of up to NIS 50,000. It was further agreed that in each year a new sales target for bonus purposes will be determined at the discretion of the Chief Executive Officer.

(c) Exemption, Indemnification and Insurance

Mr. Asulin is entitled to exemption from liability, indemnification and inclusion in the Company's directors' and officers' liability insurance policy, as customary in the Company.

On May 28, 2025, the Board of Directors of the Company, following the approval of our Compensation Committee, approved the grant of 30,000 options to Mr. Asulin under terms similar to those granted to Mr. Zwi Williger and Mr. Joseph Williger as described above.

Terms of Office and Employment of Mr. Kfir Kolp, Chief Operating Officer of the Company

Mr. Kfir Kolp ("Mr. Kolp") has served as Chief Operating Officer of the Company since June 2, 2023. For 2025, Mr. Kolp was entitled to a monthly salary of NIS 36,750, a company car, mobile phone and standard social benefits customary in the group. Mr. Kolp is included in the Company's directors' and officers' liability insurance policy and is entitled to exemption from liability and an indemnification undertaking from the Company, as customary in the Company and in G. Willi-Food Ltd.

In addition, Mr. Kolp is entitled to a bonus based on the Company's operating profit before bonuses at a rate of 0.1% up to the operating profit target, as determined annually by the Compensation Committee. The terms of Mr. Kolp's service and employment were approved by the Compensation Committee and the Board of Directors of G. Willi-Food.

On May 28, 2025, the Board of Directors of the Company, following the approval of our Compensation Committee, approved the grant of **15,000 options** to Mr. Kolp under terms similar to those granted to Mr. Zwi Williger and Mr. Joseph Williger as described above.

Aggregate Compensation of Directors and Officers

The aggregate compensation paid by the Company to its directors and officers as a group for the fiscal year 2025 was approximately NIS 7.0 million (USD 2.2 million), excluding bonuses in an aggregate amount of approximately NIS 5.4 million (USD 1.7 million) paid to Messrs. Joseph and Zwi Williger and other officers. These amounts include all contingent or deferred compensation payable to directors or officers during fiscal year 2025. These amounts also include payments to non-executive directors in the aggregate amount of approximately NIS 0.3 million (USD 0.1 million) during fiscal year 2025.

Compensation Policy

Pursuant to the Companies Law, a compensation policy must be reviewed and re-approved every three years, whether or not it has been amended. The Company's Compensation Policy was most recently approved by shareholders on August 7, 2025. The objective of the Compensation Policy is to achieve the goals and work plans of the Company, including its long-term best interests by: (i) creating a reasonable and appropriate set of incentives for the Company's executives; (ii) providing the tools necessary for recruiting, motivating and retaining talented and skilled executives; (iii) putting an emphasis on performance based compensation; and (iv) creating proper balance between the various compensation components (such as fixed versus variable components and short-term versus long-term).

C.

BOARD PRACTICES

Terms of Office

Except as to External Directors, who are discussed below, Directors are elected by the shareholders at the annual general meeting of the shareholders, except in certain cases where Directors are appointed by the Board of Directors, and their appointment is later ratified at the first annual general meeting of the shareholders thereafter. Except for External Directors, Directors serve until the next annual general meeting of the shareholders.

Alternate Directors

The Articles of Association of the Company provide that any director (except for External Directors) may, by written notice to the Company, appoint another person to serve as an alternate director. Under the Israeli Companies Law, the directors of the Company cannot appoint an incumbent director or an incumbent alternate director as an alternate director. The term of appointment of an alternate director may be for a specified period or until notice is given of the termination of the appointment. A Director who is member of a Board Committee may appoint anyone to be his alternate on that committee provided that the candidate for appointment as alternate is not a member of such committee.

Audit Committee

Nasdaq Requirements

Our ordinary shares are listed for quotation on the Nasdaq Capital Market, and we are subject to the rules of the Nasdaq Capital Market applicable to listed companies. Under the current Nasdaq rules, a listed company is required to have an audit committee consisting of at least three independent directors, all of whom are financially literate and one of whom has accounting or related financial management expertise. Idan Ben-Shitrit (Chair), Shlomo Gold, and Ayelet Nir qualify as independent directors under the Nasdaq requirements and are members of the Audit Committee. The role of the audit committee for Nasdaq purposes includes assisting the Board of Directors in fulfilling its responsibility for oversight of the quality and integrity of the Company's accounting, auditing and reporting practices.

Israeli Companies Law Requirements

Under the Israeli Companies Law, the board of directors of a public company must appoint an audit committee, comprised of at least three directors including all of the external directors, with a majority of independent directors but excluding a:

- The Chairman of the board of directors;
- A controlling shareholder or his relative;
- Any director employed by or who provides services to the company on a regular basis;
- Any director employed by the controlling shareholder or by any corporation controlled by the controlling shareholder or who provides services to the controlling shareholder on a regular basis; and
- Any director whose principal livelihood comes from the controlling shareholder.

The Chairman of the audit committee must be an external director.

The responsibilities of the audit committee under the Israeli Companies Law include, among others, identifying irregularities in the management of the company's business, approving related party transactions as required by law, approving "actions" or "transactions" (as such terms are defined in the Israeli Companies Law), identifying deficiencies in the business management practices of the Company in consultation with the Company's internal auditor or independent auditors and recommending to the Board ways to improve such practices and approving transactions with affiliates. In addition, the audit committee has certain powers with regard to transactions with controlling shareholders or with persons or entities in which the controlling shareholder has a personal interest, including the power to require a competitive procedure or in some cases other procedure prior to entering into such transactions and the power to establish a procedure for approving such transactions in cases they are not de minimis to the Company.

Compensation Committee

Israeli Companies Law Requirements

Idan Ben-Shitrit (Chair), Shlomo Gold and Ayelet Nir are members of the Board's Compensation Committee. All of our Compensation Committee members have been determined to be eligible to be members of a compensation committee in accordance to the Israeli Companies Law.

Under the Israeli Companies Law, the compensation committee of a public company is required to consist of at least three members, all the external directors must be members of it and one of them must be appointed as chairperson, and the majority of the members must be External Directors. The remaining members must be directors who qualify to serve as members of the audit committee as defined in the Israeli Companies Law. The roles of the compensation committee include, among others:

- Recommending the board of directors, the compensation policy for the company's office holders to be adopted by the company and to recommend to the board of directors, once every three years, regarding any extension or modification of the current compensation policy which had been approved for a period of more than three years;
- From time to time, recommending to the board of directors regarding updates required to the compensation policy and examining the implementation thereof;
- Determining whether to approve the company's office holders' terms of office and employment in situations that require the approval of the compensation committee in accordance with the Israeli Companies Law; and

According to the Israeli Companies Law, the terms of service and employment of a public company's office holders (including cash and equity-based compensation, exemption from liability, indemnification, D&O insurance and other benefits and payments related to service and employment) are usually approved by the board of directors, while, the terms of service and employment of the directors and the CEO are usually approved also by the company's shareholders in accordance with the majority requirements of the Israeli Companies Law.

Independent Directors

The Company is a "Controlled Company" within the meaning of the Nasdaq rules since more than 50% of its voting power is held by Willi-Food. As a Controlled Company, the Company is exempt from certain Nasdaq independence requirements, such as the requirement that a majority of the Board of Directors be independent and the rules relating to independence of directors approving nominations and executive compensation.

External Directors under the Israeli Companies Law/Financial Experts

The Israeli Companies Law requires that the Company have at least two external directors on its Board of Directors. The nomination of an external director under the Israeli Companies Law must be approved by a general meeting of shareholders provided that either: (a) the majority of shares voted at the meeting, including at least a majority of the shares of non-controlling shareholders and who do not have a personal interest in the appointment (excluding a personal interest which does not result from the shareholder's relation with the controlling shareholder) voted at the meeting, vote in favor of such arrangement (not including abstentions) or (b) the total number of shares voted against such arrangement does not exceed two percent of the aggregate voting rights in the company.

A "Controlling Shareholder" is defined in the Israeli Companies Law as a shareholder with the ability to control the actions of the Company, whether by majority ownership or otherwise, and for the purpose of transactions with related parties, the definition may include a shareholder who holds at least 25% of the voting rights in the Company, provided that there is no other shareholder who holds more than 50% of the voting rights in the company; if two or more shareholders who hold voting rights in the Company have a personal interest in the approval of a transaction with a related party will be seen as holding together. The Israeli Companies Law further requires that at least one external director have financial and accounting expertise, and that the other external director(s) have professional competence, as determined by the company's board of directors. A director having financial and accounting expertise is a person who, due to his or her education, experience and talents is highly skilled in respect of, and understands, business-accounting matters and financial reports in a manner that enables him or her to understand in depth the company's financial statements and to stimulate discussion regarding the manner in which the financial data is presented. Under the regulations, a director having professional competence is a person who has an academic degree in either economics, business administration, accounting, law or public administration or an academic degree in an area relevant to the company's business, or has at least five years' experience in a senior position in the business management of a corporation with a substantial scope of business, in a senior position in the public service or a senior position in the field of the company's business.

An external director is appointed for a period of three consecutive years and may be re-appointed for two additional three-year periods only, subject to certain conditions (including approval by shareholders at a general meeting) as provided under Israeli regulations. Under the Israeli Companies Law, any committee of the Board of Directors to which the Board of Directors has delegated its powers in whole or in part must include at least one external director. Under the Israeli Companies Law, the Audit Committee and the Compensation Committee must include all the external directors.

The External Directors of the Company are Mr. Idan Ben-Shitrit and Ms. Ayelet Nir. Mr. Ben-Shitrit was elected by the Company shareholders on August 7, 2025 to serve until August 1, 2027, and was determined by the Board to have “professional expertise” under the Israeli Companies law. Ms. Nir was elected by the Company shareholders on August 7, 2025, to serve for a period of three years, and was determined by the Board to have “financial and accounting expertise” under Israeli Companies Law. On February 17, 2026, Ms. Nir notified the Company of her resignation as an external director, effective May 31, 2026. Ms. Nir’s resignation was for personal reasons and not as a result of any disagreement with the Company on any matter relating to the Company’s operations, policies or practices.

Internal Auditor

Under the Israeli Companies Law, Israeli companies whose securities are publicly traded are also required to appoint an internal auditor, as recommended by the audit committee. The role of the internal auditor is to check, among others, the integrity of the company's operations in terms of compliance with the law and proper business practice. Mr. Doron Yunisy, the Company’s internal auditor, works in accordance with an annual audit plan approved by the Audit Committee.

Indemnification

In accordance with the Israeli Companies Law and the Company’s Articles of Association, the Company has undertaken to indemnify and insure its directors and senior officers against certain liabilities which they may incur in connection with the performance of their duties. Under the terms of such indemnification provisions, the Company may, to the extent permitted by law, indemnify its directors or officers for legal expenses incurred by him/her in connection with such liabilities.

Exemption

In May 2005, the Board of Directors and Audit Committee of the Company approved an exemption in advance to any director or officer from any liability to the Company attributed to damage or loss caused by breach of the director or the officer’s duty of care owed to the Company, except for such breach in distribution (as such term is defined in the Israeli Companies Law). Also, the Board of Directors, the Audit Committee and the shareholders approved an irrevocable indemnification of the Company officers with respect to any liability or expense paid for by the officer or that the officer may be obligated to pay.

In accordance with the Israeli Companies Law, an agreement with a controlling shareholder, such as the Company’s exemption and indemnification letter to its controlling shareholders, must be approved every three years by the Company’s Audit Committee or Compensation Committee (as the case may be), the Board of Directors and a special majority of the Company shareholders.

All current officers and directors of the Company are parties to indemnification agreements.

Directors and officer's liability insurance policy

In accordance with the Israeli Companies Law, an agreement with a controlling shareholder, such as the Company's directors' and officers' liability insurance policy for its controlling shareholders, must be approved every three years by the Company’s Audit Committee or Compensation Committee (as the case may be), by the Board of Directors and by a special majority of the Company shareholders, unless it is approved in accordance with Article 1B(5) or 1B1 of the Israeli Companies Regulations (Relief with Respect to Transactions with Interested Parties), 5760-2000 (the “Relief Regulations”).

The company decided not to renew the insurance policy for directors and officers for the years 2025-2026.

Approval of Related Party Transactions under the Israeli Companies Law

Office Holders

The Israeli Companies Law codifies the fiduciary duties that office holders owe to a company. An office holder is defined as a general manager, chief executive officer, deputy general manager, vice general manager, any other person assuming the responsibilities of any of these positions regardless of that person’s title and a director or manager directly subordinate to the general manager. Each person listed in the table under "Item 6. Directors, Senior Management and Employees – A. Directors and Senior Management” is an office holder under the Israeli Companies Law.

Fiduciary duties. An office holder's fiduciary duties consist of a duty of loyalty and a duty of care. The duty of loyalty requires the office holder to act in good faith and for the benefit of the Company, and includes, among other things, the duty to avoid any conflict of interest between the office holder's position in the Company and his/her personal affairs. In addition, the duty of loyalty proscribes any competition with the Company or the exploitation of any business opportunity of the Company in order to receive personal advantage for him or herself or others. This duty also requires disclosure to the Company of any information or documents relating to the company's affairs that the office holder has received due to his or her position as an office holder. The duty of care requires an office holder to act with a level of care that a reasonable office holder in the same position would employ under the same circumstances. This includes the duty to use reasonable means to obtain information regarding the advisability of a given action submitted for his or her approval or performed by virtue of his or her position and all other relevant information pertaining to these actions.

Compensation. The Israeli Companies Law requires that the terms of service and engagement of the chief executive officer, directors or controlling shareholders (or a relative thereof) receive the approval of the compensation committee, board of directors, and shareholders, subject to limited exceptions. Similarly, the terms of service and engagement of any officer other than the CEO must receive the approval of the compensation committee and board of directors. However, shareholder approval is only required if the compensation of such officer other than the CEO is not in accordance with the compensation policy. This compensation policy is required to take into account, among other things, providing proper incentives to directors and officers, taking into account the risk management of the Company, the officer's contribution to achieving corporate objectives and increasing profits, and the function of the officer or director. Following the approval of the Compensation Committee and Board, a newly revised Compensation Policy was approved by the Company shareholders on August 7, 2025, for a period of three years. For more information on the Company's Compensation Policy, see "Item 6. Directors, Senior Management and Employees – B. Compensation". In accordance with the Israeli Companies Law the compensation policy must be re-approved every three years, in the manner described above. The Compensation Committee is responsible for reviewing from time to time the compensation policy and determining whether or not there are circumstances that require adjustments to the current compensation policy.

The Israeli Companies Law provides that a compensation policy requires shareholder approval by a special majority vote. Notwithstanding the above, the compensation committee and the board of directors may approve the compensation policy of a company, even if the shareholders do not approve such terms, provided that:

- 1) the compensation committee and after the Board decided on the basis of detailed reasons and re-discussion of the compensation policy, the approval of the compensation policy despite the shareholders' objection is in favor of the company; and
- 2) the Company is not a "Public Pyramid Held Company", which is a public company controlled by another public company (including by a company that only issued debentures to the public), which is also controlled by another public company (including a company that only issued debentures to the public) that has a controlling shareholder.

Disclosure of personal interest. The Israeli Companies Law requires that an office holder promptly disclose to the company any personal interest that he or she may have, and all related material information known to him or her, in connection with any existing or proposed transaction by the company. "Personal interest", as defined by the Israeli Companies Law, includes a personal interest of any person in an act or transaction of the company, "Personal interest" does not apply to a personal interest stemming merely from the fact that the office holder is also a shareholder in the company. "Personal interest" also includes (1) the personal interest of a person who votes via a proxy for another person, even if the other person has no personal interest, and (2) the personal interest of a person who gives a proxy to vote even if the person who votes on his or her behalf has no personal interest, regardless of whether the discretion of how to vote lies with the person voting or not.

The office holder must make the disclosure of his or her personal interest promptly and, in any event, no later than the first meeting of the company's board of directors that discusses the particular transaction. This duty does not apply to the personal interest of a relative of the office holder in a transaction unless it is an "extraordinary transaction". The Israeli Companies Law defines an extraordinary transaction as a transaction not in the ordinary course of business, not on market terms or that is likely to have a material impact on the company's profitability, assets or liabilities, and defines a relative as a spouse, sibling, parent, grandparent, descendant and spouse's descendant, and includes a sibling, parent and spouse of any of the foregoing.

Approvals. The Israeli Companies Law provides that a transaction with an office holder or a transaction in which an office holder has a personal interest may not be approved if it is averse to the company's interest. In addition, such a transaction generally requires board approval, unless the transaction is an extraordinary transaction, or the articles of association provide otherwise. If the transaction is an extraordinary transaction, or if it concerns exculpation, indemnification, or insurance of an office holder, then in addition to any approval stipulated by the articles of association, approval of the company's audit committee or compensation committee (as the case may be) and board of directors, in that order, is required, and may also require special majority approval by shareholders. In accordance with the Israeli Companies Law, approval by both the compensation committee and the board of directors is required for

all arrangements regarding terms of service, including cash and equity-based compensation, exemption from liability, indemnification, D&O insurance and other benefits and payments related to the service and employment of an office holder. Except for certain specific exemptions under the Israeli Companies Law, matters referred to herein with respect to the CEO of a public company or a director of a company (including engagement with respect to employment terms of a director in a position other than as a director) also require shareholder approval.

With respect to the CEO of a public company, or with respect to a director who is a controlling shareholder, shareholder approval must be by a special majority vote. With respect to transactions described above with the CEO, the compensation committee may determine that such transaction does not require shareholders' approval, provided that: (i) the CEO is considered to be "independent" based on criteria set forth in the Companies Law; (ii) the compensation committee determined, based on detailed reasons, that bringing the transaction to the approval of the shareholders may compromise the entering into the transaction; and (iii) the terms of the transaction are consistent with the company's compensation policy.

In order to be approved, the terms of employment of Office Holders of a public company must be consistent with the company's compensation policy. However, the compensation committee and the board of directors may, under special circumstances, approve terms of employment which are not in accordance with the company's compensation policy if:

- 1) the compensation committee and the board of directors have taken into consideration the mandatory considerations and criteria which are specified in the Israeli Companies Law for a compensation policy and the respective employment terms include such mandatory considerations and criteria; and
- 2) the company's shareholders approved such terms of employment, subject to a special majority requirement.

Notwithstanding the above, the compensation committee and the board of directors may approve terms of employment of Office Holders (other than CEO or directors) that are not in accordance with the company's compensation policy, even if the shareholders' do not approve such terms, provided that:

- 1) both the compensation committee and the board of directors re-discussed the transaction and decided to approve it despite the shareholders' objection, based on detailed reasons; and
- 2) the Israeli company is not a "Public Pyramid Held Company", which is a public company controlled by another public company (including by a company that only issued debentures to the public), which is also controlled by another public company (including a company that only issued debentures to the public) that has a controlling shareholder.

Under the Israeli Companies Law, changes of the terms of a current arrangement regarding service and employment terms of an office holder (other than a director) may require only the approval of the compensation committee if the compensation committee determines that such changes are not material.

A director who has a personal interest in a matter that is considered at a meeting of the board of directors, compensation committee or audit committee may not attend that meeting or vote on that matter. However, if the chairman of the board of directors or the chairman of the compensation committee or audit committee determines that the presence of an office holder with a personal interest is required for the presentation of a matter, such officer holder may be present at the meeting. Notwithstanding the foregoing, a director who has a personal interest may be present at the meeting and vote on the matter if a majority of the board of directors, compensation committee or audit committee also has a personal interest in the matter. If a majority of the board of directors, compensation committee or audit committee has a personal interest in the transaction, shareholder approval also would be required.

Shareholders

The Israeli Companies Law imposes the same requirements regarding disclosure to the company of a personal interest, as described above, on a controlling shareholder of a public company that it imposes on an office holder. For these purposes, a controlling shareholder is any shareholder who has the ability to direct the company's actions, including any shareholder holding 25% or more of the voting rights if no other shareholder owns more than 50% of the voting rights in the company. Two or more shareholders with a personal interest in the approval of the same transaction are deemed to be one shareholder.

Unless approved in accordance with the Relief Regulations, approval of the audit committee, board of directors and shareholders, in that order, is required, among others, for:

- extraordinary transactions with a controlling shareholder or in which a controlling shareholder has a personal interest; and
- the terms of an engagement by the company, directly or indirectly, with a controlling shareholder or a controlling shareholder's relative (including through a corporation controlled by a controlling shareholder), regarding the company's receipt of services from the controlling shareholder, and if such controlling shareholder is also an office holder of the company, regarding his or her terms of employment.

The shareholder approval must include the majority of shares voted at the meeting. In addition, either:

- the majority of the shares of the voting shareholders who have no personal interest in the transaction must vote in favor of the proposal (shares held by abstaining shareholders shall not be considered); or
- the total shareholdings of those who have no personal interest in the transaction and who vote against the transaction must not represent more than 2% of the aggregate voting rights in the company.

Furthermore, any extraordinary transaction with a controlling shareholder or in which a controlling shareholder has a personal interest with a term of more than three years requires the abovementioned approval every three years, unless, with respect to transactions not involving the receipt of services or compensation, the audit committee or compensation committee (as the case may be) determines that a longer term is reasonable under the circumstances.

In accordance with amendments to the Israeli Companies Law, approval by both the compensation committee and the board of directors is required for all arrangements regarding terms of service. Except for certain specific exemptions under the Companies Law, matters referred to herein with respect to the CEO of a public company or a director of a company (including engagement with respect to employment terms of a director in a position other than as a director) also require shareholder approval. With respect to the CEO of a public company, or with respect to a director who is a controlling shareholder, shareholder approval must be by a special majority vote, provided that either:

- 1) such majority includes a majority of the total votes of shareholders who have no personal interest in the approval of the transaction (and in case of a CEO, who are not a controlling shareholder) and who participate in the voting, in person, by proxy or by written ballot, at the meeting (abstentions not taken into account); or
- 2) the total number of votes of shareholders mentioned above that vote the transaction do not represent more than 2% of the total voting rights in the company.

The Israeli Companies Law requires that every shareholder who participates in person, by proxy or by voting instrument in a vote regarding a transaction with a controlling shareholder must indicate either in advance or on the ballot whether or not that shareholder has a personal interest in the vote in question. Failure to so indicate will result in the invalidation of that shareholder's vote.

Under the Israeli Companies Law, a shareholder has a duty to act in good faith towards the Company and other shareholders and to refrain from abusing his or her power in the company including, among other things, when voting in a general meeting of shareholders or in a class meeting on the following matters:

- any amendment to the articles of association;
- an increase in the company's authorized share capital;
- a merger; or
- approval of actions and transactions that require shareholder approval.

A shareholder has a general duty to refrain from depriving any other shareholder of their rights as a shareholder. In addition, any controlling shareholder, any shareholder who knows that he/she possesses the power to determine the outcome of a shareholder vote, and any shareholder who has the power to appoint or prevent the appointment of an office holder in the company is under a duty to act with fairness towards the company. The Israeli Companies Law does not describe the substance of this duty of fairness except to

state that the remedies generally available for breach of contract would also apply in the event of a breach of the duty to act with fairness toward the company.

D. EMPLOYEES

As of December 31, 2025, the Company, including its subsidiaries, employed a total of 202 persons all of them are located in Israel, 6 of whom were in management, 45 of whom were in accounting and importing positions, 42 of whom were involved in the Company's sales and marketing departments and 109 of whom were employed in logistics networks (warehousing and transportation).

All the Company's employees are party to written employment contracts.

The Company has complied with and is in compliance with all material respects with all laws and other legal requirements relating to the employment of labor (including, without limitation, provisions thereof relating to wages, hours, equal opportunity, collective bargaining and the payment of social pension benefits and the payment or withholding of payroll or similar taxes for employees, or any other applicable law or regulation concerning the employees of the Company).

The Extension Order for Mandatory Pension Insurance and the Extension Order for Increasing the Allocations to Pension Insurance (the "Extension Orders") that apply to the Company, require the maintenance of pension insurance for the benefit of its employees (the "Pension Insurance"). The Extension Orders settle the contribution of certain percentages of the employee's monthly insured salary to a Pension Insurance that may be one of the two following types: pension fund or insurance fund. The contribution is made by both the Company and its employees.

Each month, the employee contributes an amount equals to 6% of his insured salary, and the Company contributes an additional amount equals to 12.5% or 14.83% of the employee's insured salary. The contributions made by the Company to the pension fund cover 72% or 100% of the Company's severance liability towards its employees in case of termination (the difference in coverage depends on the amount the Company contributes to the severance part of the Pension Insurance). In the event that the Company contributes amounts to the severance part of the pension insurance that cover only 72% of the Company's severance liability, then in the case of termination of employment relations that entitle the employee to a payment of full severance pay under the law, the Company shall pay to the employee a supplementary amount. Furthermore, Israeli employees and employers are required to pay predetermined sums to the Israeli National Insurance Institute (which is similar, to some extent, to the United States Social Security Administration). The payments thereto range from 6.95% to 18.75% of wages; the employee's share range from 3.5% to 12% (depending on the marginal level of wages) and the employer's share range from 3.45% to 6.75%.

E. SHARE OWNERSHIP

For information regarding the share ownership of Directors and Officers of the Company see "Item 7. Major Shareholders and Related Party Transactions – A. Major Shareholders".

2022 Share Award Plan

On May 3, 2022, the Company's Board of Directors adopted an option plan for Company officers and owners (the "Option Plan"). The Option Plan is intended to advance the interests of the Company and its shareholders by attracting and retaining the best available personnel for positions of substantial responsibility, providing additional incentive to the officers and promoting a close identity of interests between those individuals and the Company and/or its Affiliate.

The number of shares that may be issued under the Option Plan is subject to adjustment if particular capital changes affect our share capital or such other number as our board of directors may determine from time to time. If an award expires or becomes non-exercisable without having been exercised in full, the non-purchased shares which were subject thereto shall, unless the Option Plan shall have been terminated, become available for grant or sale under the Option Plan. Shares issued under the Option Plan and later repurchased by the Company pursuant to any repurchase right which the Company may have, shall be available for future grant under the Option Plan. As of March 23, 2026, we had an aggregate of 275,000 options outstanding under the Plan, and 261,000 ordinary shares available for future issuance under the Plan.

Our board of directors, or a duly authorized committee of our board of directors, administers the Option Plan. The administrator has the authority, to grant awards, determine and amend the terms of awards, including the exercise price of an option award, the fair

market value of an ordinary share, the time and vesting schedule applicable to an award or the method of payment for an award, accelerate or amend the vesting schedule applicable to an award, prescribe the forms of agreement for use under the Option Plan and take all other actions and make all other determinations necessary for the administration of the Option Plan.

The administrator also has the authority to amend and rescind rules and regulations relating to the Option Plan or terminate the Option Plan at any time before the date of expiration of its ten-year term (unless extended by the administrator pursuant to the provisions of the Option Plan).

Participants who are employees of the Company may be granted options subject to Section 102 of the Israeli Income Tax Ordinance (New Version) (the “Ordinance”), 1961, or the Israeli Tax Ordinance. Section 102 of the Israeli Tax Ordinance allows employees, directors and officers who are not controlling shareholders (as defined for those purposes under the Israeli Tax Ordinance) and are considered Israeli residents to receive favorable tax treatment for compensation in the form of shares or options. Our non-employee service providers and controlling shareholders may only be granted options under another section 3(i) of the Israeli Tax Ordinance, which does not provide for similar tax benefits. Section 102 includes two alternatives for tax treatment involving the issuance of options or shares to a trustee for the benefit of the grantees and also includes an additional alternative for the issuance of options or shares directly to the grantee. The Board shall make an election with respect to either Section 102 Capital Gain Track or Section 102 Employment Income Track in accordance with the provisions of Section 102(g) of the Ordinance.

The Option Plan provides for the grant of options, ordinary shares, restricted shares, restricted share units, stock appreciation rights, performance units, performance shares and other share or cash awards as the administrator may determine.

F. DISCLOSURE OF A REGISTRANT’S ACTION TO RECOVER ERRONEOUSLY AWARDED COMPENSATION

None.

ITEM 7. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

A. MAJOR SHAREHOLDERS

The following table shows the beneficial ownership of ordinary shares as of March 23, 2026 by:

- each person known by the Company to beneficially own more than 5% of the outstanding shares of ordinary shares;
- each of the Company’s named executive officers and directors; and
- all of the Company’s named executive officers and directors as a group.

Unless otherwise indicated, the Company believes that all persons named in the table have sole voting and investment power with respect to all shares beneficially owned by them. Except as otherwise noted herein, the number and percentage of ordinary shares beneficially owned is determined in accordance with Rule 13d-3 of the Exchange Act, and the information is not necessarily indicative of beneficial ownership for any other purpose. Under such rule, beneficial ownership includes any ordinary shares as to which the holder has sole or shared voting power or investment power and also any ordinary shares which the holder has the right to acquire within 60 days of March 23, 2026 through the exercise of any option, conversion or any other right. As of March 23, 2026, there were 13,930,310 ordinary shares outstanding.

The business address of Willi-Food Investments Ltd. is 4 Nahal Harif Street, Northern Industrial Zone, Yavne 81106, Israel.

Name and Address	Number of Ordinary Shares Beneficially Owned	Percentage of Ordinary Shares
Willi-Food Investments Ltd. (1)	8,200,542	58.8%
Joseph and Zwi Williger (1)	173,739	1.25%
Yitchak Barabi	3,000	0.01%

- (1) As of the date hereof, ZW directly owns through a wholly-owned company 173,739 Ordinary Shares. JW and ZW together own 100% of B.S.D shares and each be deemed to beneficially own 8,200,542 Ordinary Shares held directly by WIL, and 173,739 Ordinary Shares held directly by ZW), or approximately 60.22% of the outstanding Ordinary Shares. Thus, as of the date hereof, each of JW and ZW may be deemed to have the shared power to vote, or direct the voting of, and the shared

power to dispose of, or direct the disposition of, all such shares The business address of Joseph Williger is Kaplan St., Herzliya 4674311, Israel, and the business address of Zwi Williger, 7 Hashikma St., Savion, Israel.

Holdings by U.S. Shareholders

As of March 23, 2026, nine U.S. record holder held in the aggregate 75.6% of our ordinary shares.

B. RELATED PARTY TRANSACTIONS

Management Service Agreements.

See “Item 7. Major Shareholders and Related Party Transactions – B. Related Party Transactions – Management Service Agreements”.

Services to Willi-Food

The Company provides certain services to Willi-Food on an on-going basis, including office space and certain management, financial and administrative services, pursuant to a services agreement effective May 19, 1997, as most recently amended on June 4, 2020 and as extended on March 14, 2023.

Pursuant to this agreement, Willi-Food is entitled to manage its operations from the Company’s executive offices in Yavne, including use of an office space and facilities and certain management, financial, accounting, legal, administrative and secretarial services.

Pursuant to this agreement, Willi-Food is to pay the Company a monthly amount of NIS 10,000 for these services and for external services that are provided at the same time to the Company and to the subsidiary by the same third party, such as legal services, auditing services, etc., but excluding unique and specific services that are provided to the Company or to Willi-Food.

Under the Companies Law, an agreement with a controlling shareholder must be approved every three years by the Audit Committee, Board of Directors and by a special majority of the General Meeting of Shareholders. On March 14, 2023, following the approval of the Company’s Audit Committee and Board of Directors, the General Meeting of Shareholders of the Company approved the extension of the above service agreement, for a three-year period ending December 31 2025.

The Company has called a meeting of the shareholders for March 24, 2026. One of the items on the agenda of the meeting is the approval of the extension of the management services agreement between the companies for an additional three-year period commencing on January 1, 2026.

C. INTERESTS OF EXPERTS AND COUNSEL

Not applicable.

ITEM 8. FINANCIAL INFORMATION

A. CONSOLIDATED STATEMENTS AND OTHER FINANCIAL INFORMATION

The financial statements required by this item are found at the end of this Annual Report, beginning on page F-1.

Dividend Policy

Pursuant to a dividend distribution policy adopted in August 2021, the Company will distribute to its shareholders a dividend at a cumulative annual rate of at least 40% of the Company's annual net profit according to its most recent audited or reviewed consolidated financial statements.

Any future determination relating to our dividend policy will be at the discretion of our Board of Directors and will depend on a number of factors, including future earnings, our financial condition, operating results, contractual restrictions, capital requirements, business prospects, applicable Israeli law and other factors our Board of Directors may deem relevant.

Legal Proceedings

On November 4, 2018, G. Willi-Food Ltd. filed a lawsuit in the amount of NIS 4,183,208 against the Company's former controlling shareholder, Gregory Gurtovoy ("Mr. Gurtovoy"), and against five former directors and senior officers of the Company – Israel Joseph Schneerson, Pavel Buber, Iram Ephraim Graiver, Ilan Menachem Admon and Zalman Vigler (together, the "Defendants"). According to the Company, the Defendants conspired to cause the use of millions of NIS of the Company funds as collaterals to loans extended to foreign private companies related to the Company's controlling shareholders on dates which are relevant to the lawsuit without obtaining the required approvals from the Company's directors and without issuing the required report to Company's shareholders.

As of the date of this report, the proceedings in this case have been concluded with respect to all of the Defendants except for Iram Graiver.

On July 23, 2017, Mr. Iram Graiver, former CEO of the Company and Willi-Food (hereinafter - "Mr. Graiver") filed a lawsuit to the Regional Labor Court in Tel Aviv Jaffa (hereinafter - "the Labor Court") claiming payment of social rights and different compensations at the total amount of NIS 2,377,305. On November 26, 2017, the Company filed a statement of defense.

On July 27, 2017, the Company filed a lawsuit against Mr. Graiver for the return of funds allegedly taken unlawfully, totaling NIS 1,694,325. According to the Company, Mr. Graiver acted in breach of his fiduciary duty and contrary to the mandatory provisions of the Companies Law, which require approval from the general shareholders' meeting (which was not obtained) for payments he took from the Company.

On November 2, 2017, the Court decided to consolidate the two proceedings. On November 26, 2017, defense statements were submitted by Mr. Graiver and the Company. After several hearings, a judgment was issued on November 27, 2022, ordering the Company to pay Mr. Graiver approximately NIS 255,000. Subsequently, both the Company and Mr. Graiver filed appeal requests to the National Labor Court.

On September 24, 2024, a judgment was issued rejecting the Company's appeal and partially accepting Mr. Graiver's appeal. It was determined that, in addition to funds already deposited with the Court, the Company must pay Mr. Graiver an additional NIS 411,297 plus interest and linkage from March 2017.

On October 20, 2024, a petition was filed with the High Court of Justice.

On February 16, 2026, a hearing on the petition was held, and on February 17, 2026, the court ruled that Mr. Graiver is required to reimburse the Company 20% of the reasonable salary amount, as determined in the judgment of the National Labor Court.

On June 24, 2020, a lawsuit and request for approval as a representative was submitted to the Central District Court of Israel against the Company, Euro Dairy Europe Ltd. and another respondent. According to the applicant, the Company marketed a number of products with misleading labeling and contrary to the provisions of the law and the relevant standards. On April 22, 2025, the court approved the certification of the class action lawsuit on the grounds of misrepresentation. In November 2025, a settlement agreement was submitted to the court for approval, pursuant to which G. Willi-Food will donate products with a total value of NIS 230,000 to various nonprofit organizations.

A lawsuit and a motion to approve it as class action was filed on August 2, 2021, against the Company and another five respondents to the District Court. The applicant claimed that the Company marketed several products with misleading captions and contrary to the provisions of the law and the relevant regulations. The applicant claims that he and the members of the group suffered financial damages in amount of NIS 100 million and non-financial damages in amount of NIS 378 million. On December 25, 2025, a withdrawal settlement was approved, pursuant to which the Company undertook to present tests of the products that are the subject of the claim, confirming that they are consistent with the manufacturer's declarations. The claim was dismissed.

A lawsuit and a motion to approve it as class action was filed on November 8, 2021, against the Company to the District Court. The applicant claimed that the Company marketed a product with misleading captions and contrary to the provisions of the law and the relevant regulations. The applicant claims that he and the members of the group suffered damages in amount of NIS 57 million. A response was submitted on February 9, 2022. On November 14, 2022, a pre-trial hearing was held, at the end of which it was decided that the parties must reach agreements by December 15, 2022. On January 24, 2023, an agreed notification was submitted according to which the parties were unable to reach an agreement. On September 14, 2023 another pre-trial hearing was held. Summaries on behalf of the applicant were submitted on December 27, 2023. Response summaries have been submitted, awaiting a decision on the approval request. On December 3, 2024 the District Court approved the lawsuit as class action. The District Court ruled in its decision that at the certification request stage, there is no need to determine the extent of damages, and that this issue should be clarified in the second

phase of managing the claim. The District Court determined that there are grounds to examine the petitioner's claim that he and the group members suffered damages in the amount of the difference between the price paid and the price they would have paid for purchasing another comparable product. According to the petitioner, the price of the Company's product was higher than that of another comparable product, while the Company argues that the product subject to the claim was sold at lower prices than competing products and therefore no damage was caused. The District Court also ruled that there are grounds to examine the question of non-monetary damages caused by the inability to compare between the product subject to the claim and competing products. The Company maintains its argument that this was a good faith mistake and that no damage was caused to the consumer, and in the proceedings, it will prove that the product was imported in relatively small quantities during a limited period only. The case was scheduled for the submission of affidavits of primary testimony, followed by a pre-trial hearing, on July 15, 2026.

On February 20, 2023, the Company's subsidiary Euro European Dairies received from the Ashdod Customs House, a notice of a charge for a deficit of NIS 1.75 million, which includes interest and fine. In the letter of demand, it is claimed that the Company had imported soft cheeses in a saltwater solution and paid duty only for the weight of the cheese without the weight of the salt water solution. According to the customs house, customs must also be paid for the saltwater solution. After the customs house rejected the appeal that the Company filed on the debit notices, the Company paid the debt in the debit notices and submitted a lawsuit to the Magistrate's Court in Petah Tikva to cancel the notices and to recover the amounts paid by it plus interest and linkage. The court pointed out difficulties in each party's position and suggested transferring the case to mediation. The Company agreed, but the Customs House rejected the proposal. On March 24, 2025, an additional hearing was held, during which the court approved the request for expert testimony and again recommended referring the matter to mediation. On April 8, 2025 the Customs Authority announced that it refuses to engage in mediation. An evidentiary hearing in the case was held on November 23, 2025. At the conclusion of the hearing, the defendant announced that it does not accept the court's recommendation to refer the matter to mediation. Accordingly, the court set a hearing for an attempt to resolve the dispute on May 10, 2026. At this preliminary stage, it is difficult to assess the prospects of the application and the claim.

On February 11, 2026, a claim and a motion for its approval as a class action were filed with the Central District Court against G. Willi-Food. According to the allegations set forth in the motion for approval, the Company marketed a product bearing misleading labeling, contrary to the provisions of the law and the relevant standards. As alleged in the motion for approval, the amount of the individual claim is NIS 2,580, while the total amount of the claim was estimated, at this stage, at more than NIS 2.5 million, in respect of the aggregate damage allegedly caused to the members of the represented class. At this preliminary stage, it is not possible to assess the likelihood of the motion being approved or the extent of the exposure arising therefrom

On February 14, 2024, the Company received a notification letter from the Competition Authority, according to which the authority is considering filing an indictment against the Company, subject to a hearing, on the grounds of the suspicions listed in the "Letter of Suspicions". In addition, a similar message was further delivered to the chairman of the board of directors of the Company, Mr. Zvi Williger. On April 17, 2024, a hearing was held regarding the aforementioned matter, in which the company and Mr. Williger presented their arguments before the Competition Authority. On November 19, 2025, the Company received a notice from the Competition Authority regarding the closure of the investigation file against the Company. In addition, a notice in identical wording regarding the closure of the investigation file against him was also delivered to Mr. Zvi Williger.

On July 17, 2024, the Company reached an agreement with the Competition Authority regarding the payment of financial sanctions totaling approximately 11.6 million NIS for alleged violations of the Food Industry Competition Promotion Law of 2014, without admission of violation. The aforementioned arrangement was approved by the Company's board of directors. The Company included the expense related to this agreement in its financial statements under other expenses.

On July 21, 2024, following the above referenced agreement with the Competition Authority, a request for document disclosure was filed pursuant to Section 198a of the Companies Law, 5759-1999, in the Tel Aviv-Jaffa District Court against the Company to examine the possibility of filing a derivative claim for alleged violations of the Food Industry Competition Promotion Law, 5774-2014. As part of the request, the court was asked to order the Company to provide various documents related to these events to the petitioner. On December 24, 2024, the Company filed a response to the request. On February 18, 2025, the parties filed a mutual withdrawal request. The court approved the withdrawal request on the same day.

B. SIGNIFICANT CHANGES

We are not aware of any significant changes bearing upon our financial condition since the date of the audited consolidated financial statements included in this Annual Report.

ITEM 9. THE OFFER AND LISTING

A. OFFER AND LISTING DETAILS

Our ordinary shares have been traded on the Nasdaq Capital Market since May 19, 1997 and currently have the ticker “WILC”. Our ordinary shares have been traded on the Tel Aviv Stock Exchange since June 15, 2020 under the ticker symbol “WILF”.

B. PLAN OF DISTRIBUTION

Not applicable.

C. MARKETS

In May 1997, our ordinary shares began trading on the Nasdaq Capital Market under the symbol “WILCF”. On March 25, 2005, the Company’s Nasdaq ticker symbol was changed to “WILC”. Our ordinary shares have been traded on the Tel Aviv Stock Exchange since June 15, 2020 under the ticker symbol “WILF”.

D. SELLING SHAREHOLDERS

Not applicable.

E. DILUTION

Not applicable.

F. EXPENSES ON THE ISSUE

Not applicable.

ITEM 10. ADDITIONAL INFORMATION

A. SHARE CAPITAL

Not applicable.

B. MEMORANDUM AND ARTICLES OF ASSOCIATION

Purposes and Objects of the Company

We are an Israeli public company registered under the Companies Law as G. Willi-Food International Ltd.; registration number 52-004320-9.

On March 20, 2014, shareholders approved an amendment to Article 6 of our articles of association changing the objectives of the Company from engaging in importing, exporting and marketing of products and other commodities to engaging in any lawful activity. Our Board of Directors is empowered to embark on or withdraw from any business in which we deal. Under our articles of association, our Board of Directors is entitled to donate reasonable amounts to worthy causes, even if such donation is not within the framework of our business considerations.

The Powers of Directors

The powers of a Director to vote on a proposal, arrangement or contract in which such Director is materially interested is limited by the relevant provisions of the Companies Law. In addition, the power of the Directors to vote compensation to themselves or any members of their body requires the approval of the Compensation Committee, the Board of Directors and, unless approved in accordance with the Relief Regulations, the shareholders at a general meeting. Compensation and indemnification of expenses of External Directors must be in accordance with the applicable provisions of the Companies Law.

The Companies Law and our Articles of Association require that a director or Office Holder promptly disclose, either at a board meeting or by way of a general notice, any personal interest that he or she may have, and all related material information known to him or her in connection with any existing or proposed transaction by the Company. In addition, if the transaction is an extraordinary transaction (as defined in the Companies Law), the member of the Board of Directors or Office Holder, must also disclose any personal interest held by his or her spouse, siblings, parents, grandparents, descendants, spouse's descendants and the spouses of any of the foregoing.

Once the Director or Office Holder complies with the above disclosure requirements, the Company may approve the transaction in accordance with the provisions of the Articles of Association. If the transaction is with a third party in which the member of the Board of Directors or Office Holder has a potential interest, the approval must confirm that the transaction is not averse to the Company's interest. Furthermore, if the transaction is an extraordinary transaction, then, in addition to any approval stipulated by the Articles of Association, it also must be approved by the Audit Committee and then by the Board of Directors, and, under certain circumstances, by a meeting of the shareholders of the Company. See "Item 6. Directors, Senior Management and Employees - C. Board Practices – Approval of Related Party Transactions under the Israeli Companies Law".

Directors with respect to whom the foregoing matters are brought for Board of Directors or Audit Committee approval are not entitled to be present during discussions of, nor to participate in the vote for approval of, such matters at Board and/or Audit Committee meetings, unless a majority of Audit Committee or Board members, as the case may be, have a personal interest in such matter or the matter involves non-extraordinary transactions between the Company and either a Director or a third party in which a Director has a personal interest. The Companies Law further provides that in the event that a majority of board members have a personal interest in such a matter, shareholder approval is also required.

The Articles of Association provide that the Board of Directors, subject to the Companies Law, may, at its discretion from time to time in accordance with the needs of the Company, make decisions to borrow and/or obtain credit facilities in any amount and to secure the repayment thereof either by mortgage, charge or other security on the Company's undertakings or on its property, in whole or in part (both existing and future) including the share capital of the company which is, at the time, uncalled.

Subject to applicable provisions of the Companies Law regarding matters that the Board of Directors may not delegate to a committee or matters for which a committee may only make recommendation to the Board of Directors, the Board of Directors may delegate its powers to committees consisting of at least three (3) Directors, including at least one External Director. A resolution passed or an action taken by a directors' committee has the same validity as a resolution passed or an action taken by the Board of Directors, unless otherwise specifically expressed in the resolution of the Board of Directors that established said committee.

Rights Attached to Shares

The Company is authorized to issue 49,893,520 Ordinary Shares, par value NIS 0.10 and 106,480 Preferred Shares, par value NIS 0.10, each ranking *pari passu*. The Company may alter the share capital of the Company in accordance with the provisions of the Companies Law and the Articles of Association. The rights attached to the Company's shares are as follows:

Dividend Rights

Holders of Ordinary Shares are entitled to participate *pari passu* with all other shareholders of the Company's Ordinary Shares in any distribution of a dividend, whether in cash, assets, or in any other legal form, declared, as well as the right to participate *Pari passu* with all other holders of our Ordinary Shares in the distribution of bonus shares resolved by the Company. The Articles of Association note that a shareholder shall not be entitled to receive a dividend or bonus shares as above and shall not be entitled to exercise any right as a shareholder unless he has paid in full all notices of call delivered to him, together with linkage differences, interest and expenses owed, as applicable, on calls which have not been paid by him on time.

Voting Rights

Holders of Ordinary Shares of the Company have the right to receive notices of general meetings of the Company, to be present, and to participate and vote therein. Each holder of Ordinary Shares in the Company has the right to one vote per share in the general meetings of the Company on all matters submitted to a vote of shareholders. A shareholder may vote in person, via proxy, or by means of a written form (“Voting Instrument”) described in the Articles of Association. Any resolution of the Company in a general meeting shall be deemed duly passed if passed by a simple majority of registered shareholders present and voting, unless a different majority is required by the Companies Law or the Articles of Association.

Under the Articles of Association, the Directors (who are not External Directors) are elected annually by the shareholders at the annual meeting. Such directors hold office until the conclusion of the next annual meeting or until their earlier removal or resignation. In addition, at least two (2) External Directors who comply with the qualifications described in the Companies Law must serve on the Board of Directors. External Directors are appointed by a majority vote at a general meeting, provided that: (i) the majority vote includes at least a majority of the shares of non-controlling shareholders who do not have a personal interest in the appointment (excluding a personal interest not resulting from the shareholder's relation with the controlling shareholder), as described in the Companies Law, voted at the meeting, with abstentions not taken into consideration in calculating the total number of the non-controlling shareholders, and (ii) the total number of shares of such non-controlling shareholders referred to in clause (1) voting against the resolution appointing an External Director is not more than two percent (2%) of the overall voting rights in the Company. External Directors are appointed for a term of three (3) years and their office may be extended by a resolution of the general meeting passed by special majority as mentioned above, for an additional three (3) years terms. An External Director may be removed from office only in accordance with the relevant provisions of the Companies Law.

If no Directors are elected at an annual meeting, then the persons who served as Directors immediately prior to the annual meeting will continue to serve as directors unless otherwise determined by the annual meeting or by the Board of Directors. A Director who has ceased to serve in office is eligible for reelection. The Board of Directors has the power to appoint additional Directors to fill a vacancy, so long as the number of directors will not exceed a number of Directors approved at a general meeting. Any Director so appointed will hold office until the conclusion of the next annual meeting unless he is removed or resigns earlier.

Rights in the Company's Profits

The shareholders of the Company have the right to share in the Company's profits distributed as a dividend and any other permitted distribution. See “– Dividend Rights” above.

Rights in the Event of Liquidation

Holders of Ordinary Shares are entitled to receive any return of capital, *pari passu*, with all other ordinary shareholders, upon the dissolution of the Company. Holders of Ordinary Shares are also entitled to participate, *pari passu*, with all other Ordinary Shareholders in the distribution of the surplus of the Company's assets available for distribution in the event of dissolution of the Company which remain after the Company has paid the holders of Ordinary Shares all amounts payable as return of capital.

Liability to Further Capital Calls by the Company

If the terms of allotment of any shares of the Company do not specify a particular date for the payment of all of the consideration which is to be paid therefore, or any part thereof, our board of directors may, from time to time, as it deems fit, make calls on the shareholders in respect of the amounts not yet paid for their shares, whether on account of the par value of the shares or on the account of the premium, and each shareholder shall be obligated to pay the Company the amount so demanded from him not later than the date of payment set forth in the notice containing the call. Shareholders shall be given prior notice of at least fourteen (14) days in respect of any call. The Board of Directors may at any time, by notice in writing, cancel the call or extend the time of its payment.

Changing Rights Attached to Shares

Under the Articles of Association, the Company may, by resolution of a general meeting, vary the rights attached to any class of shares on the Company's stamp or its printed name (unless otherwise determined in the terms of issue of the shares of such class), after obtaining the written consent of the holders of the majority of the issued shares of said class or with the approval of a resolution duly passed at a class meeting of the holders of such class of shares.

Annual and Special Meetings

The Board of Directors must convene an annual meeting at least once every calendar year, within fifteen months of the preceding general meeting, at a place prescribed by the board so long as it is in the State of Israel. Notices to shareholders regarding the convening of a general meeting are to be published per the Articles of Association and subject to the provisions of the Companies Law.

As the Company has shares are listed for trade on an exchange outside of Israel, the Board of Directors shall convene a special meeting upon receipt of a written request from either (i) two directors or 25% of the total number of directors; (ii) one or more shareholders holding at least 10% of the issued share capital and at least 1% of the shareholders' voting power; or (iii) one or more shareholders holding no less than 10% of the Company's issued voting shares. If the Board is required to convene a special meeting, it shall convene it at a time which is at least 21 days, but not longer than 35 days after the date of the notice of convening such meeting. In the event that the board of directors does not convene a special meeting within the timeframe set forth above, those that submitted the request for such meeting, or part of them representing more than one-half of the voting rights of all of them, may convene the special meeting themselves, provided that such meeting is held within three months of the time when the special meeting was requested.

Under Israeli law, one or more shareholders holding at least 5% of the voting rights at a general meeting of shareholders may request that our board of directors include a proposal that relates to the election or removal of a director in the agenda of a general meeting of shareholders to be convened in the future. One or more shareholders holding at least 1% of the voting rights at the general meeting may request that the board of directors include a matter in the agenda of a general meeting to be convened in the future, such as nominating a director candidate, provided that it is appropriate to discuss such any other matter at the general meeting.

Limitations on the Rights to Own Securities

The Articles of Association do not place limitations on the rights to own securities. Under the Articles no limitations apply to the transfer of shares in the Company and the number of shareholders is unlimited.

Changes in the Company's Capital

Changes in the capital of the Company are subject to the approval by ordinary majority of the shareholders at a general meeting. Shareholders may resolve to increase the authorized share capital; consolidate our share capital and divide it into shares of greater value than existing shares; divide existing shares into shares of lesser value; cancel any authorized share capital which has not yet been allotted (provided there is no undertaking to allot such share capital); or reduce the capital by way of a distribution if such distribution has been approved, in accordance with the relevant provisions of the Companies Law. If the shareholders resolve to increase the share capital, the new shares will be subject to the same provisions applicable to the shares of the original capital.

Neither the Memorandum of Association nor Articles of Association of the Company nor the laws of the State of Israel restrict in any way the ownership or voting of ordinary shares by non-residents of Israel, except with respect to citizens of countries which are in a state of war with Israel.

C. MATERIAL CONTRACTS

For information with respect to the Company's material contracts, see "Item 6. Directors, senior management and employees – B. Compensation.

D. EXCHANGE CONTROLS

There are currently no Israeli currency control restrictions on payments of dividends or other distributions with respect to our ordinary shares or the proceeds from the sale of our ordinary shares, except for the obligation of Israeli residents to file reports with the Bank of Israel regarding certain transactions. However, legislation remains in effect, pursuant to which currency controls can be imposed by administrative action at any time and from time to time.

E. TAXATION

The following is a discussion of certain material Israeli tax consequences to purchasers of our ordinary shares. The discussion also contains a description of certain relevant material provisions of the current Israeli income tax system applicable to companies in Israel, with special reference to its effect on us. To the extent that the discussion is based on new tax legislation that has not been subject to judicial or administrative interpretation, we cannot assure you that the appropriate tax authorities or the courts will accept the views expressed in this discussion.

This discussion applies to shareholders that hold our ordinary shares as capital assets and does not address all of the tax consequences that may be relevant to holders of our ordinary shares in light of their particular circumstances or certain types of holders of our ordinary shares subject to special tax treatment. Because individual circumstances may differ, shareholders should consult their tax advisor to determine the applicability of the rules discussed below to them, including the application of Israeli or other tax laws. The discussion below is not intended, and should not be construed, as legal or professional tax advice and is not exhaustive of all possible tax considerations.

Potential investors are urged to consult their own tax advisors as to the Israeli or other tax consequences of the purchase, ownership and disposition of the Shares including, in particular, the effect of any foreign, state or local taxes.

Taxation of Israeli Companies

General Corporate Tax Structure

Israeli companies are generally subject to corporate tax on their taxable income at the rate of 23 % for the 2024 tax year.

Capital Gains Tax on Sales of Our Ordinary Shares

Israeli law generally imposes a capital gains tax on the sale of any capital assets by residents of Israel, as defined for Israeli tax purposes, and on the sale of assets located in Israel, including shares in Israeli resident companies, by non-residents of Israel, unless a specific exemption is available or unless a tax treaty between Israel and the shareholder's country of residence provides otherwise. In calculating capital gain, the law distinguishes between real gain and inflationary surplus. The inflationary surplus is the portion of the total capital gain equal to the increase in the relevant asset's value that is attributable to the increase in the Israeli CPI between the date of purchase and the date of sale. The real gain is the excess of the total capital gain over the inflationary surplus. A non-resident that invests in taxable assets with foreign currency, or any individual who holds securities the price of which is stated in foreign currency, may elect to calculate the amount of inflationary surplus in that foreign currency.

Taxation of Israeli Residents

An individual is subject to a tax at a rate of 25% on real capital gains derived from the sale of shares, as long as the individual is not a "substantial shareholder" (generally a shareholder with 10% or more of the right to profits, right to nominate a director or voting rights) in the company issuing the shares.

An individual who is a substantial shareholder is subject to tax at a rate of 30% in respect of real capital gains derived from the sale of shares issued by the Company in which he or she is a substantial shareholder. The determination of whether the individual is a substantial shareholder will be made on the date that the securities are sold. In addition, the individual will be deemed to be a substantial shareholder if at any time during the 12 months preceding this date, he or she had been a substantial shareholder.

An additional income tax at a rate of 3% will be imposed on high earners individuals whose annual income or capital gain in 2024 exceeds NIS 721,560 (USD 197,850).

Israeli companies are generally subject to the corporate tax rate (see above) on capital gains derived from the sale of shares listed on a stock market.

Different taxation rules may apply to shareholders who purchased the Shares prior to January 1, 2009 or prior to the listing on the Tel Aviv Stock Exchange or the Nasdaq Global Market. Such Shareholders should consult with their own tax advisors for the tax consequences upon sale.

In general, a partnership will be a transparent entity for tax purposes and the investors will be subject to tax with respect to their share in accordance with the tax rate applies individually.

In general, under the Israel Tax Ordinance, public institutions are exempt from tax.

Taxation of Non-Israeli Residents

Non-Israeli residents are exempt from Israeli capital gains tax on any gains derived from the sale of shares in an Israeli corporation publicly traded on the Tel Aviv Stock Exchange and/or on a foreign stock exchange, provided such gains do not derive from a permanent establishment of such shareholders in Israel and that such shareholders did not acquire their shares prior to the issuer's initial public offering. However, non-Israeli corporations will not be entitled to such exemption if Israeli residents (i) have a controlling interest of more than 25% in such non-Israeli corporation, or (ii) are the beneficiaries of or are entitled to 25% or more of the revenues or profits of such non-Israeli corporation, whether directly or indirectly. Such exemption would not be available to non-Israeli residents dealing in securities in Israel which would be subject to Israeli tax at the rates applicable to business income (at the corporate tax rate for a corporation (23% in 2024) and the marginal tax rate of up to 50% for an individual in 2024).

Additionally, a sale of securities by a non-Israeli resident may be exempt from Israeli capital gains tax under the provisions of an applicable tax treaty. For example, under the Convention Between the Government of the United States of America and the Government of the State of Israel with respect to Taxes on Income, as amended, or the United States-Israel Tax Treaty, the sale, exchange or other disposition of shares by a shareholder who (i) is a U.S. resident (for purposes of the treaty); (ii) holds the shares as a capital asset; and (iii) is entitled to claim the benefits afforded to such person by the treaty, is generally exempt from Israeli capital gains tax. Such exemption will not apply if, among other things: (i) the capital gain arising from such sale, exchange or other disposition is treated as industrial or commercial profits attributed to a permanent establishment in Israel, subject to certain conditions; (ii) the shareholder holds, directly or indirectly, shares representing 10% or more of the voting capital of the corporation during any part of the 12-month period preceding the disposition, subject to certain conditions; (iii) the capital gain arising from such sale, exchange or disposition is treated as royalties; or (iv) such U.S. resident is an individual and was present in Israel for 183 days or more during the relevant taxable year. In such case, the sale, exchange or disposition of our securities would be subject to Israeli tax, to the extent applicable; however, under the United States-Israel Tax Treaty, the taxpayer would be permitted to claim a credit for such taxes against the U.S. federal income tax imposed with respect to such sale, exchange or disposition, subject to the limitations under U.S. law applicable to foreign tax credits. The United States-Israel Tax Treaty does not relate to U.S. state or local taxes.

In some instances where our shareholders may be liable to Israeli tax on the sale of their ordinary shares, the payment of the consideration may be subject to Israeli withholding tax.

Taxation of Dividends Paid on Our Ordinary Shares

Taxation of Israeli Residents

The following Israeli tax consequences shall apply in the event of actual payment of any dividends on the Shares.

As of January 1, 2012, dividends, other than bonus shares (stock dividends), paid to Israeli resident individuals who purchased our Shares will generally be subject to income tax at a rate of 25% for individuals, or 30% if the dividend recipient is a Significant Shareholder (as defined above) at any time during the 12-month period preceding such distribution. Dividends paid to Israeli resident companies will not be included in their tax liability computation.

Taxation of Non-Israeli Residents

Non-residents of Israel are generally subject to Israeli income tax on the receipt of dividends paid on our ordinary shares at the rate of 25% unless the recipient is a significant shareholder at any time during the 12-month period preceding the distribution in which case the applicable tax rate will be 30%. The Company distributing the dividend is required to withhold tax at the source at the rate of 25%.

A non-resident of Israel who has dividend income derived from or accrued in Israel, from which tax was withheld at source, is generally exempt from the duty to file tax returns in Israel in respect of such income, provided such income was not derived from a business conducted in Israel by such non-Israeli resident.

Taxation of Residents of the United States under the US Treaty

Residents of the United States generally will be subject to withholding tax in Israel on dividends paid, if any, on Shares. Generally, under the Convention Between the Government of the United States of America and the Government of the State of Israel with Respect to Taxes on Income (the "US Treaty"), the maximum rate of withholding tax on dividends paid to a holder of Shares who

is a resident of the United States (as defined in the US Treaty) will be 25%. Under the US Treaty, the withholding tax rate on dividends will be reduced to 12.5% if (i) the shareholder is a U.S. resident corporation which holds during the portion of the taxable year which precedes the date of payment of the dividend, and during the whole of its prior taxable year, at least 10% of the outstanding shares of the voting stock of the Israeli resident paying corporation and (ii) not more than 25% of the gross income of the Israeli resident paying corporation for such prior taxable year consists of certain types of interest or dividends.

The US Treaty exempts from taxation in Israel any capital gains realized on the sale, exchange or other disposition of Shares provided that the following cumulative conditions are met: (a) the seller is a resident of the United States for purposes of the US Treaty; (b) the seller owns, directly or indirectly, less than 10% of our voting stock at all times during the 12-month period preceding such sale, exchange or other disposition; (c) the seller, being an individual, is present in Israel for a period or periods of less than 183 days during the taxable year; and (d) the capital gain from the sale was not generated through a permanent establishment of the seller in Israel.

Subject to the exemptions from capital gains prescribed in the Israeli Income Tax Ordinance (as described above), purchasers of Shares who are residents of the United States and who hold 10% or more of the outstanding ordinary shares at any time during such 12-month period will be subject to Israeli capital gains tax. However, under the US Treaty, residents of the United States (as defined in the US Treaty) generally would be permitted to claim a credit for this tax against US federal income tax imposed on the sale, exchange or other disposition, subject to the limitations in US laws applicable to the utilization of foreign tax credits generally.

The application of the US Treaty provisions to dividends and capital gains described above is conditioned upon the fact that such income is not effectively connected with a permanent establishment (as defined in the US Treaty) maintained by the non-Israeli resident in Israel.

United States federal income taxation

The following is a description of the material United States federal income tax consequences of the acquisition, ownership and disposition of our ordinary shares. This description addresses only the United States federal income tax consequences to holders of our ordinary shares and that will hold such ordinary shares as capital assets. This description does not address tax considerations applicable to holders that may be subject to special tax rules, including:

- financial institutions or insurance companies;
- real estate investment trusts, regulated investment companies or grantor trusts;
- dealers or traders in securities or currencies;
- tax-exempt entities;
- certain former citizens or long-term residents of the United States;
- persons that received our shares as compensation for the performance of services;
- persons that will hold our shares as part of a “hedging” or “conversion” transaction or as a position in a “straddle” for United States federal income tax purposes;
- holders that will hold our shares through a partnership or other pass-through entity;
- U.S. Holders (as defined below) whose “functional currency” is not the U.S. Dollar; or
- holders that own directly, indirectly or through attribution 10.0% or more, of the voting power or value, of our shares.

Moreover, this description does not address the United States federal estate and gift or alternative minimum tax consequences of the acquisition, ownership and disposition of our ordinary shares.

This description is based on the United States Internal Revenue Code, 1986, as amended (the “Code”) existing, proposed and temporary United States Treasury Regulations and judicial and administrative interpretations thereof, in each case as in effect and available on the date hereof. All of the foregoing is subject to change, which change could apply retroactively and could affect the tax consequences described below.

For purposes of this description, a “U.S. Holder” is a beneficial owner of our ordinary shares that, for United States federal income tax purposes, is:

- a citizen or resident of the United States;
- a corporation (or other entity treated as a corporation for United States federal income tax purposes) created or organized in or under the laws of the United States or any state thereof, including the District of Columbia;
- an estate the income of which is subject to United States federal income taxation regardless of its source; or
- a trust if such trust has validly elected to be treated as a United States person for United States federal income tax purposes or if (1) a court within the United States is able to exercise primary supervision over its administration and (2) one or more United States persons have the authority to control all of the substantial decisions of such trust.

A “non-U.S. Holder” is a beneficial owner of our ordinary shares that is neither a U.S. Holder nor a partnership (or other entity treated as a partnership for United States federal income tax purposes).

If a partnership (or any other entity treated as a partnership for United States federal income tax purposes) holds our ordinary shares, the tax treatment of a partner in such partnership will generally depend on the status of the partner and the activities of the partnership. Such a partner or partnership should consult its tax advisor as to its tax consequences of acquiring, owing and disposing of our ordinary shares.

Distributions

Subject to the discussion below under “Passive foreign investment company considerations,” if you are a U.S. Holder, the gross amount of any distribution made to you with respect to your ordinary shares, before reduction for any Israeli taxes withheld therefrom, other than certain distributions, if any, of our ordinary shares distributed pro rata to all our shareholders, will be includible in your income as dividend income to the extent such distribution is paid out of our current or accumulated earnings and profits as determined under United States federal income tax principles. Subject to the discussion below under “Passive foreign investment company considerations,” non-corporate U.S. Holders may qualify for the lower rates of taxation with respect to dividends on ordinary shares applicable to long-term capital gains (i.e., gains from the sale of capital assets held for more than one year), provided that certain conditions are met, including certain holding period requirements and the absence of certain risk reduction transactions. Moreover, such lower rate of taxation shall not apply if we are a PFIC for the taxable year in which we pay a dividend, or if we were a PFIC for the preceding taxable year. However, such dividends will not be eligible for the dividends received deduction generally allowed to corporate U.S. Holders. Subject to the discussion below under “Passive foreign investment company considerations,” to the extent, if any, that the amount of any distribution by us exceeds our current and accumulated earnings and profits as determined under United States federal income tax principles, it will be treated first as a tax-free return of your adjusted tax basis in your ordinary shares and thereafter as capital gain. We do not expect to maintain calculations of our earnings and profits under United States federal income tax principles and, therefore, if you are a U.S. Holder, you should expect that the entire amount of any distribution generally will be reported as dividend income to you.

If you are a U.S. Holder, Israeli tax withheld on dividends paid to you with respect to your ordinary shares may be deducted from your taxable income or credited against your U.S. federal income tax liability. The rules relating to the determination of the foreign tax credit are complex, and you should consult your tax advisor to determine whether and to what extent you will be entitled to this credit. Subject to certain exceptions, dividends paid to you with respect to your ordinary shares will be treated as foreign source income, which may be relevant in calculating your foreign tax credit limitation. However, for periods in which we are a “United States-owned foreign corporation”, a portion of dividends paid by us may be treated as U.S. source solely for purposes of the foreign tax credit. We would be treated as a United States-owned foreign corporation if more than 50% of the total value or total voting power of our stock is owned, directly, indirectly or by attribution, by United States persons. To the extent any portion of our dividends is treated as U.S. source income pursuant to this rule, the ability of a U.S. Holder to claim a foreign tax credit for any Israeli withholding taxes payable in respect of our dividends may be limited. A U.S. Holder entitled to benefits under the United States-Israel Tax Treaty may, however, elect to treat any dividends as foreign source income for foreign tax credit purposes if the dividend income is separated from other income items for purposes of calculating the U.S. Holder’s foreign tax credit. U.S. Holders should consult their own tax advisors about the impact of, and any exception available to, the special sourcing rule described in this paragraph, and the desirability of making, and the method of making, such an election.

The limitation on foreign taxes eligible for credit is calculated separately with respect to specific classes of income. For this purpose, dividends that we distribute generally should constitute “passive category income,” or, in the case of certain U.S. Holders, “general category income.” A foreign tax credit for foreign taxes imposed on distributions may be denied if you do not satisfy certain minimum holding period requirements.

Subject to the discussion below under “Backup withholding tax and information reporting requirements,” if you are a Non-U.S. Holder, you generally will not be subject to United States federal income (or withholding) tax on dividends received by you on your ordinary shares, unless you conduct a trade or business in the United States and such income is effectively connected with that trade or business (or, if required by an applicable income tax treaty, the dividends are attributable to a permanent establishment or fixed base that such holder maintains in the United States).

Sale, exchange or other disposition of ordinary shares

Subject to the discussion below under “Passive foreign investment company considerations,” if you are a U.S. Holder, you generally will recognize gain or loss on the sale, exchange or other disposition of your ordinary shares equal to the difference between the amount realized on such sale, exchange or other disposition and your adjusted tax basis in your ordinary shares. Such gain or loss will be capital gain or loss. If Israeli tax is imposed on the sale, exchange or other disposition of our ordinary shares, a U.S. Holder's amount realized will include the gross amount of the proceeds of the deposits before deduction of the Israeli tax. The adjusted tax basis in an ordinary share generally will be equal to the cost of such ordinary share. Except as discussed below with respect to foreign currency gain or loss, if you are a non-corporate U.S. Holder, capital gain from the sale, exchange or other disposition of ordinary shares is generally eligible for the preferential rate of taxation applicable to long-term capital gains if your holding period for such ordinary shares exceeds one year (i.e., such gain is long-term capital gain). The deductibility of capital losses for United States federal income tax purposes is subject to limitations.

Any such gain or loss that a U.S. Holder recognizes generally will be treated as U.S. source income or loss for foreign tax credit limitation purposes. Because gain for the sale or other disposition of our ordinary shares will be so treated as U.S. source income; and you may use foreign tax credits to offset only the portion of U.S. federal income tax liability that is attributed to foreign source income; you may be unable to claim a foreign tax credit with respect to the Israeli tax, if any, on gains. You should consult your tax advisor as to whether the Israeli tax on gains may be creditable against your U.S. federal income tax on foreign-source income from other sources.

Subject to the discussion below under “Backup withholding tax and information reporting requirements,” if you are a non-U.S. Holder, you generally will not be subject to United States federal income or withholding tax on any gain realized on the sale or exchange of such ordinary shares unless:

- such gain is effectively connected with your conduct of a trade or business in the United States; or
- you are an individual and have been present in the United States for 183 days or more in the taxable year of such sale or exchange and certain other conditions are met.

Passive foreign investment company considerations

A non-United States corporation will be classified as a “passive foreign investment company,” or a PFIC, for United States federal income tax purposes in any taxable year in which, after applying certain look-through rules, either

- at least 75% of its gross income is “passive income”; or
- at least 50% of the average value of its gross assets (which may be determined, in part, by the market value of our ordinary shares, which is subject to change) is attributable to assets that produce “passive income” or are held for the production of passive income.

Passive income for this purpose generally includes dividends, interest, royalties, rents, gains from commodities and securities transactions, the excess of gains over losses from the disposition of assets which produce passive income, and includes amounts derived by reason of the temporary investment of funds raised in offerings of our ordinary shares. If a non-United States corporation owns at least 25% by value of the stock of another corporation, the non-United States corporation is treated for purposes of the PFIC tests as owning its proportionate share of the assets of the other corporation and as receiving directly its proportionate share of the other corporation's income.

We believe that we were not classified as a PFIC for the taxable year ended on December 31, 2024. Because PFIC status is based on our income, assets and activities for the entire taxable year, it is not possible to determine whether we will be characterized as a PFIC for the 2025 taxable year until after the close of the year. Moreover, we must determine our PFIC status annually based on tests which are factual in nature, and our status in future years will depend on our income, assets and activities in those years. In addition, because the market price of our ordinary shares is likely to fluctuate and because that market price may affect the determination of whether we will be considered a PFIC, there can be no assurance that we will not be considered a PFIC for any taxable year.

If we were a PFIC, and you are a U.S. Holder, then unless you make one of the elections described below, a special tax regime will apply to both (a) any “excess distribution” by us to you (generally, your ratable portion of distributions in any year which are greater than 125% of the average annual distributions received by you in the shorter of the three preceding years or your holding period for our ordinary shares) and (b) any gain realized on the sale or other disposition of the ordinary shares. Under this regime, any excess distribution and realized gain will be treated as ordinary income and will be subject to tax as if (i) the excess distribution or gain had been realized ratably over your holding period, (ii) the amount deemed realized in each year had been subject to tax in each year of that holding period at the highest marginal rate for such year (other than income allocated to the current period or any taxable period before we became a PFIC, which would be subject to tax at the U.S. Holder’s regular ordinary income rate for the current year and would not be subject to the interest charge discussed below), and (iii) the interest charge generally applicable to underpayments of tax had been imposed on the taxes deemed to have been payable in those years. In addition, dividend distributions made to you will not qualify for the lower rates of taxation applicable to long-term capital gains discussed above under “— Distributions.”

Certain elections are available to U.S. Holders of shares that may serve to alleviate some of the adverse tax consequences of PFIC status described above. If we agreed to provide the necessary information, you could avoid the interest charge imposed by the PFIC rules by making a qualified electing fund (a “QEF”) election, in which case you generally would be required to include in income on a current basis your pro rata share of our ordinary earnings as ordinary income and your pro rata share of our net capital gains as long-term capital gain. We do not expect to provide to U.S. Holders the information needed to report income and gain pursuant to a QEF election, and we make no undertaking to provide such information in the event that we are a PFIC.

Under an alternative tax regime, you may also avoid certain adverse tax consequences relating to PFIC status discussed above by making a mark-to-market election with respect to your ordinary shares annually, provided that the shares are “regularly traded” on a “qualified exchange.” Shares will be marketable if they are regularly traded on certain United States stock exchanges (including Nasdaq) or on certain non-United States stock exchanges. For these purposes, the shares will generally be considered regularly traded during any calendar year during which they are traded, other than in negligible quantities, on at least 15 days during each calendar quarter. U.S. Holders should be aware, however, that if we are determined to be a PFIC, the interest charge regime described above could be applied to indirect distributions or gains deemed to be attributable to U.S. Holders in respect of any of our subsidiaries that also may be determined to be a PFIC, and the mark-to-market election generally would not be effective for such subsidiaries.

If you choose to make a mark-to-market election, you will recognize as ordinary income or loss each year in which we are a PFIC an amount equal to the difference as of the close of the taxable year between the fair market value of your ordinary shares and your adjusted tax basis in your ordinary shares. Losses would be allowed only to the extent of net mark-to-market gain previously included by you under the election for prior taxable years. If the mark-to-market election were made, then the PFIC rules described above relating to excess distributions and realized gains would not apply for periods covered by the election. If you do not make a mark-to-market election for the first taxable year in which we are a PFIC during your holding period of our ordinary shares, you would be subject to interest charges with respect to the inclusion of ordinary income attributable to each taxable year in which we were a PFIC during your holding period before the effective date of such election.

If we were a PFIC, a holder of ordinary shares that is a U.S. Holder must file United States Internal Revenue Service Form 8621 with respect to the company for each tax year in which the U.S. Holder owns the ordinary shares, generally with such U.S. Holder’s federal income tax return for that year. If we were a PFIC for a given taxable year, then you should consult your tax adviser concerning your annual filing requirements.

Backup withholding tax and information reporting requirements

United States backup withholding tax and information reporting requirements generally apply to certain payments to certain non-corporate holders of stock. Information reporting generally will apply to payments of dividends on, and to proceeds from the sale or redemption of, our ordinary shares made within the United States, or by a United States payor or United States middleman, to a holder of our ordinary shares, other than an exempt recipient (including a corporation, a payee that is not a United States person that provides an appropriate certification and certain other persons). A payor will be required to withhold backup withholding tax from any payments of dividends on, or the proceeds from the sale or redemption of, ordinary shares within the United States, or by a United States payor or United States middleman, to a holder, other than an exempt recipient, if such holder fails to furnish its correct taxpayer

identification number or otherwise fails to comply with, or establish an exemption from, such backup withholding tax requirements. Any amounts withheld under the backup withholding rules will be allowed as a refund or credit against the beneficial owner's United States federal income tax liability, if any, provided that the required information is timely furnished to the IRS.

Certain U.S. Holders who are individuals (or certain specified entities) are required to report information relating to an interest in our common shares by attaching a complete United States Internal Revenue Service Form 8938, Statement of Specified Foreign Financial Assets, to their tax return for each year in which they hold our common shares, subject to certain exceptions (including an exception for our common shares held in accounts maintained by financial institutions in which case the account may be reportable if maintained by a foreign financial institution). U.S. Holders are urged to consult their tax advisers regarding the effect, if any, of this legislation on their ownership and disposition of our common shares.

3.8% Medicare Tax On "Net Investment Income"

Certain U.S. Holders who are individuals, estates or trusts are subject to the requirement to pay a 3.8% tax on, among other things, dividends and capital gains from the sale or other disposition of shares of common stock.

The following description is not intended to constitute a complete analysis of all tax consequences relating to our prior units and our ordinary shares. You should consult your own tax advisor concerning the tax consequences of your particular situation, as well as any tax consequences that may arise under the laws of any state, local, foreign or other taxing jurisdiction.

F. DIVIDENDS AND PAYING AGENTS

Not applicable.

G. STATEMENTS BY EXPERTS

Not applicable.

H. DOCUMENTS ON DISPLAY

We are subject to the information reporting requirements of the Exchange Act, applicable to foreign private issuers, and under those requirements, we file reports with the SEC. Our filings with the SEC are available to the public through the SEC's website at <http://www.sec.gov> and as of June 2021 also at the TASE's website at <http://maya.tase.co.il> and at the Israeli Securities Authority's website at <http://www.magna.isa.gov.il>.

As a foreign private issuer, we are exempt from the rules under the Exchange Act, related to the furnishing and content of proxy statements, and our officers, directors and principal shareholders are exempt from the reporting and short-swing profit recovery provisions contained in Section 16 of the Exchange Act. In addition, we are not required under the Exchange Act, to file annual, quarterly and current reports and financial statements with the SEC as frequently or as promptly as U.S. companies whose securities are registered under the Exchange Act. However, we are required to comply with the informational requirements of the Exchange Act, and, accordingly, file current reports on Form 6-K, annual reports on Form 20-F and other information with the SEC.

I. SUBSIDIARY INFORMATION

Not applicable.

ITEM 11. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Exchange rate risk: The Company regularly assesses currency rate risks to minimize any adverse effects on the Company's business as a result of currency fluctuations.

The Company's foreign currency exposure gives rise to market risk associated with exchange rate movements of the NIS, the Company functional and reporting currency, against the USD and Euros. Most of the Company's purchases are denominated in USD and Euros, whereas its income and other expenses are denominated mostly in NIS. Consequently, devaluation of the NIS against the other currencies may cause a negative impact on the Company profit margins.

The Company strives to minimize market risks arising from exchange rates and the cost of imported goods, especially by holding foreign currency surpluses, and initiates forward transactions.

The Company engages, from time to time, in activities to protect against changes in exchange rates by holding some of its excess liquidity in foreign currency and making forward transactions in foreign currency.

The table below details the sensitivity analysis in respect to exposure relating to exchange rate risk:

	Gain (loss) from exchange rate change NIS thousands		Fair net NIS thousands	Gain (loss) from exchange rate change NIS thousands	
Change in exchange rate USD	10% (1,742)	5% (871)	17,418	5% 871	10% 1,742
Change in exchange rate EURO	10% 494	5% 247	(4,935)	5% (247)	10% (494)

Credit risk: Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of trade receivable. Despite the Company's large number of clients (181,762) a major and significant part of its sales are made to only a limited number of customers (mainly in large retail supermarket chains). The Company generally does not require and does not receive collateral from those major customers. However, it does require and receive collateral from most of the remainder of its clients to ensure security of collecting payments. The Company maintains an allowance for doubtful debts, based upon factors surrounding the credit risk of specific customers, historical trends and other information which management believes adequately covers all anticipated losses in respect of trade receivable. There can be no assurance that this allowance will be adequate. In the event that any of the Company's major clients' defaults on its payment obligations to us, the Company will not possess sufficient collateral to collect the entire debt. The Company strives to minimize the credit risks by constantly reviewing the credit it extends to customers versus the collateral it receives. As a result, the Company has ceased selling products to certain customers and considerably reduced sales to other customers, and may continue to do so in the future.

Interest rate risk: The Company invests part of its cash reserves in instruments that bear fixed interest rate. The Company, as part of its investing policy, invests part of its cash reserves in bonds and convertible debentures that bears fixed interest rate; as a result, the Company is espoused to changes in interest rates.

The table below details the sensitivity analysis in respect to exposure relating to investments in instruments with fix interest rates:

	Gain (loss) from interest change NIS thousands		Fair value NIS thousands	Gain (loss) from interest change NIS thousands	
Change in Interest as % of interest rate	10%	5%		5%	10%
Increase/decrease in financial Income	(5,650)	(2,825)	56,496	2,825	5,650

ITEM 12. DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES

Not applicable.

ITEM 13. DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES

Not applicable.

ITEM 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS

Not applicable.

ITEM 15. CONTROLS AND PROCEDURES

(a) Disclosure Controls and Procedures

Our Chief Executive Officer, or CEO, and Chief Financial Officer, or CFO, are responsible for establishing and maintaining our disclosure controls and procedures (as defined in Rules 13a-15© and 15d-15(e) under the Securities Exchange Act of 1934, as amended). These controls and procedures were designed to ensure that information required to be disclosed in the reports that we file or submit under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in the reports we file or submit under the Securities Exchange Act of 1934, as amended, is accumulated and communicated to our management, including our principal executive and principal financial officers, or persons performing similar functions, as appropriate, to allow timely decisions regarding required disclosure. We evaluated these disclosure controls and procedures under the supervision of our CEO and CFO as of December 31, 2025. Based on this evaluation, our CEO and CFO concluded that our disclosure controls and procedures were effective.

(b) Management's Annual Report on Internal Control over Financial Reporting.

Our management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934, as amended. Our internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Our internal control over financial reporting includes those policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that our receipts and expenditures are being made only in accordance with authorizations of our management and directors; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements.

Our management recognizes that there are inherent limitations in the effectiveness of any system of internal control over financial reporting, including the possibility of human error and the circumvention provide only reasonable assurance with respect to financial statement preparation and presentation, and may not prevent or detect all misstatements. In addition, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Our management (with the participation of the CEO and CFO) assessed the effectiveness of our internal control over financial reporting as of December 31, 2025. In conducting its assessment of internal control over financial reporting, management used the criteria established in "Internal Control - Integrated Framework (2013)" issued by the Committee of Sponsoring Organizations of the Treadway Commission. Our management has concluded, based on its assessment, that our internal control over financial reporting was effective as of December 31, 2025.

(c) This Annual Report does not include an attestation report of our independent registered public accounting firm regarding internal control over financial reporting.

Management's report was not subject to attestation by our independent registered public accounting firm pursuant to the rules of the Securities and Exchange Commission that permit us to provide only management's report in this Annual Report.

(d) Changes in Internal Control over Financial Reporting.

There were no changes in the Company's internal control over financial reporting that occurred during the year ended December 31, 2025 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 16. [RESERVED]

ITEM16A. AUDIT COMMITTEE FINANCIAL EXPERT

The Company's Board of Directors has determined Idan Ben-Shitrit, Ayelet Nir and Shlomo Gold are the "Audit Committee Financial Experts" for the Company, as such terms are defined under SEC rules. Mr. Ben-Shitrit Ms. Nir, and Mr. Gold each serve on the Company's Audit Committee and are "Independent Directors" as defined in the Nasdaq listing standards applicable to us.

ITEM 16B. CODE OF ETHICS

We have adopted a Code of Ethics that applies to our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions. A copy of the Code of Ethics will be provided upon request without charge to any person who requests such copy from Yitschak Barabi, Chief Financial Officer, at cfo@willi-food.co.il or +972-8-932-1099.

ITEM 16C. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The following table presents the aggregate fees for professional services and other services rendered by BDO Ziv Haft ("BDO"), the Company's independent public accounting firm, in each of 2025 and 2024. BDO's address is 48 Menachem Begin Rd. Tel-Aviv.

	NIS 2025	USD 2025	NIS 2024	USD 2024
Audit Fees and Tax Fees (1)(2)	400,000	125,392	400,000	125,392
All Other Fees (3)	-	-	-	-
TOTAL	400,000	125,392	400,000	125,392

(1) Audit Fees consist of fees billed for the annual audit services engagement and other audit services, which are those services that only the external auditor can reasonably provide, and include the Company audit; statutory audits; comfort letters and consents; attest services; and assistance with and review of documents filed with the SEC.

(2) Tax Fees include fees billed for tax compliance services, including the preparation of original and amended tax returns and claims for refund; tax consultations, such as assistance and representation in connection with tax audits, tax advice related to mergers and acquisitions, transfer pricing, and requests for rulings or technical advice from taxing authority.

(3) All Other Fees include attestation services.

During fiscal year 2025, the external auditor did not perform any additional services, other than auditing and tax services.

Audit Committee Pre-Approval Policies and Procedures

Our audit committee's specific responsibilities in carrying out its oversight of the quality and integrity of the accounting, auditing and reporting practices of the Company include the approval of audit and non-audit services to be provided by the external auditor. The audit committee approves in advance the particular services or categories of services to be provided to the Company during the following yearly period and also sets forth a specific budget for such audit and non-audit services. Additional non-audit services may be pre-approved by the audit committee.

ITEM 16D. EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES

Not applicable.

ITEM 16E. PURCHASES OF EQUITY SECURITIES BY THE COMPANY AND AFFILIATED PURCHASERS

Not applicable.

ITEM 16F. CHANGES IN REGISTRANT'S CERTIFYING ACCOUNTANT

Not applicable.

ITEM 16G. CORPORATE GOVERNANCE

The following are the significant ways in which our corporate governance practices differ from those followed by domestic companies under the listing standards of the Nasdaq:

- *Executive Sessions* – Under Nasdaq rules, U.S. domestic listed companies, must have a regularly scheduled meeting at which only independent directors are present. We do not have such executive sessions.
- *Compensation of Officers* - Under Nasdaq rules, the Company must adopt a formal written compensation committee charter addressing the scope of the compensation committee's responsibilities, including structure, processes and membership requirements, among others. We do not have such a formal written charter.
- *Nominations of Directors* - Under Nasdaq rules, U.S. domestic listed companies, must have a nominations committee comprised solely of independent directors and must have director nominees selected or recommended by a majority of its independent directors. Our directors are not nominated in this manner.
- *Nominations Committee Charter or Board Resolution* - Under Nasdaq rules, U.S. domestic listed companies, must adopt a formal written charter or board resolution, as applicable, addressing the nominations process and such related matters as may be required under the federal securities laws. We do not have such a formal written charter or board resolution.
- *Quorum* - Under Nasdaq rules, U.S. domestic listed company's by-laws provide for a quorum of at least 33 1/3 percent of the outstanding shares of the company's common voting stock. According to our articles our quorum should be at least 25 percent of the outstanding shares of our common voting stock.
- *Review of Related Party Transactions:* Under Nasdaq Listing Rules, domestic listed companies must conduct an appropriate review and oversight of all related party transactions for potential conflict of interest situations on an ongoing basis by the company's audit committee or another independent body of the board of directors. Although Israeli law requires us to conduct an appropriate review and maintain oversight of all related-party transactions similar to the Nasdaq Listing Rules, we follow the definitions and requirements of the Companies Law in determining the kind of approval required for a related-party transaction, which tend to be more rigorous than the Nasdaq Listing Rules.
- *Shareholder Approval of Certain Equity Compensation:* Under Nasdaq Listing Rules, shareholder approval is required prior to an issuance of securities in connection with equity-based compensation of officers, directors, employees or consultants. The Company has indicated that it will receive shareholder approval as required by Israeli law, including upon issuance of options to directors or to controlling shareholders.

ITEM 16H. MINE SAFETY DISCLOSURE

Not applicable.

ITEM 16I. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

ITEM 16J. INSIDER TRADING POLICIES

Our board of directors has adopted an insider trading policy governing all transactions the purchase, sale, and other dispositions of our securities by directors, senior management, and employees that are reasonably designed to promote compliance with applicable insider trading laws, rules and regulations, and any listing standards applicable to us. A copy of our insider trading policy is filed as exhibit to this Annual Report.

ITEM 16K. CYBERSECURITY

We operate in the food sector, which is subject to various cybersecurity risks that could adversely affect our business, financial condition, and results of operations, including intellectual property theft; fraud; extortion; harm to employees or customers; violation of privacy laws and other litigation and legal risk; and reputational risk. We recognize the critical importance of developing, implementing, and maintaining robust cybersecurity measures to safeguard our information systems and protect the confidentiality, integrity, and availability of our data. We currently have security measures in place to protect any information of our clients, customers, employees and vendors and prevent data loss and other cyber security risks. Both management and the Board of Directors are actively involved in the continuous assessment of risks from cybersecurity threats, including prevention, mitigation, detection, and remediation of cybersecurity incidents.

Our current cybersecurity protection and mitigation actions and systems consist of various products, systems, tests and monitoring of cyber security risks and incidents both internally and externally.

Management is responsible for day-to-day assessment and management of risks from cybersecurity threats, including the prevention, mitigation, detection, and remediation of cybersecurity incidents. The individuals currently serving in these roles are the Chief Financial Officer and the Chief Information Officer (CIO), who is CIO certified, cyber security certified and has more than 17 years of expertise in the field of IT projects, security and management. We have internal as well as external systems to notify us in the event of cybersecurity risks or incidents. We also follow the publications of government agencies such as Israel's National Cyber Directorate and participate in cybersecurity webinars and conferences, in order to stay updated and informed regarding cybersecurity incidents, their prevention, detection and remediation.

The Board of Directors is responsible for oversight of risks from cybersecurity threats in conjunction with the management position. The Board of Directors receives reports and updates from the management with respect to risks from cybersecurity threats. Such reports cover the Company's information technology security program, including its current status, capabilities, objectives and plans, as well as the evolving cybersecurity threat landscape. The Board of Directors takes into consideration such reports and updates into its overall risk assessment of the Company.

We engage in activities which prevent, detect, and minimize the effects of cybersecurity incidents in order to maintain business continuity and we also have a recovery plan for use in the event of a cybersecurity incident. Such activities include annual penetration tests by external consultants, use of various security products, review of security rules, limitations and configurations of cyber security products and an ongoing review of remote and local use of the company's computer systems. In addition, instructions regarding cybersecurity are distributed to all employees as part of cybersecurity awareness approach. Some fields of cybersecurity are also monitored 24/7 by an external SOC. Our data backups are held in site, off site and on various media storage devices and a DRP backup is also in use to help us respond effectively to cybersecurity incidents. To date, no cybersecurity incident (or aggregation of incidents) or cybersecurity threat has materially affected our results of operations or financial condition. However, an actual or perceived breach of our security could damage our operation, or subject us to third-party lawsuits, regulatory fines or other actions or liabilities, any of which could adversely affect our business, operating results or financial condition.

PART II

ITEM 17. FINANCIAL STATEMENTS

We have responded to Item 18 in lieu of this Item.

ITEM 18. FINANCIAL STATEMENTS

The financial statements required by this item are found at the end of this Annual Report, beginning on page F-1.

ITEM 19. EXHIBITS

<u>Exhibit Number</u>	<u>Description</u>
<u>†1.1</u>	<u>Memorandum of Association of the Company, as amended (1)</u>
<u>1.2</u>	<u>Articles of Association of the Company, as amended on March 20, 2014 (2)</u>
<u>2.1</u>	<u>Description of Securities Registered Pursuant to Section 12 of the Securities Exchange Act of 1934 (3)</u>
<u>†4.1</u>	<u>Transfer Agreement between the Company and Euro European Dairies Ltd. (Former: "Gold Frost Ltd.") dated February 16, 2006 (4)</u>
<u>†4.2</u>	<u>Lease agreement for Logistics Center between the Company and Euro European Dairies Ltd. (Former: "Gold Frost Ltd.") dated February 16, 2006 (5)</u>
<u>4.3</u>	<u>Compensation Policy (6)</u>
<u>4.5</u>	<u>G. Willi-Food International Ltd. 2022 Share Option Plan (7)</u>
<u>4.6</u>	<u>Management Services Agreement between G. Willi-Food International Ltd. and Zvi V. & Co. Company Ltd., dated February 27, 2025 (8)</u>
<u>4.7</u>	<u>Management Services Agreement between G. Willi-Food International Ltd. and Yossi Willi Management and Investment Ltd., dated February 27, 2025 (9)</u>
<u>8.1</u>	<u>Subsidiaries of the Company (10)</u>
<u>11.1</u>	<u>Insider Trading Policy (*)</u>
<u>12.1</u>	<u>Certification of principal executive officer of the Company pursuant to Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (*)</u>
<u>12.2</u>	<u>Certification of principal financial officer of the Company pursuant to Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (*)</u>
<u>13.1</u>	<u>Certification of principal executive officer of the Company pursuant to Rule 13a-14(b), as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (*)</u>
<u>13.2</u>	<u>Certification of principal financial officer of the Company pursuant to Rule 13a-14(b), as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (*)</u>
<u>15.1</u>	<u>Consent of Independent Registered Public Accounting Firm (*)</u>
<u>97.1</u>	<u>G. Willi Food International Ltd. Policy for Recovery of Erroneously Awarded Compensation (11)</u>
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
101.INS	XBRL Instance Document

† Informal English translations from Hebrew original.

(1) Incorporated by reference to Exhibit 1.1 to the Company's Annual Report on Form 20-F for the fiscal year ended December 31, 2019.

(2) Incorporated by reference to Exhibit 1.2 to the Company's Annual Report on Form 20-F for the fiscal year ended December 31, 2019.

- (3) Incorporated by reference to Exhibit 2.1 to the Company's Annual Report on Form 20-F for the fiscal year ended December 31, 2023.
- (4) Incorporated by reference to Exhibit 4.8 to the Company's Annual Report on Form 20-F for the fiscal year ended December 31, 2005.
- (5) Incorporated by reference to Exhibit 4.19 to the Company's Annual Report on Form 20-F for the fiscal year ended December 31, 2005.
- (6) Incorporated by reference to Annex A to Exhibit 99.1 to the Form 6-K disseminated with the Securities and Exchange Commission, dated July 2, 2025.
- (7) Incorporated by reference to Exhibit 10.1 to the Company's Registration Statement on Form S-8, File No. 333-266312.
- (8) Incorporated by reference to Exhibit 4.6 to the Company's Annual Report on Form 20-F for the fiscal year ended December 31, 2024.
- (9) Incorporated by reference to Exhibit 4.7 to the Company's Annual Report on Form 20-F for the fiscal year ended December 31, 2024.
- (10) Incorporated by reference to Exhibit 8.1 to the Company's Annual Report on Form 20-F for the fiscal year ended December 31, 2019.
- (11) Incorporated by reference to Exhibit 97.1 to the Company's Annual Report on Form 20-F for the fiscal year ended December 31, 2023.
- (*) Filed Herewith

SIGNATURES

Pursuant to the requirements of Section 12 of the Securities Exchange Act of 1934, the registrant certifies that it meets all of the requirements for filing on Form 20-F and has duly caused this Annual Report to be signed on its behalf by the undersigned, thereunto duly authorized.

G. WILLI-FOOD INTERNATIONAL LTD.

By: /s/ Joseph Williger
Joseph Williger
Chief Executive Officer

Date: March 24, 2026

G. WILLI-FOOD INTERNATIONAL LTD.

**CONSOLIDATED FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2025**

G. WILLI-FOOD INTERNATIONAL LTD.

CONSOLIDATED FINANCIAL STATEMENTS For the year ended December 31, 2025

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Report of Independent Registered Public Accounting Firm

Shareholders and Board of Directors of
G. Willi-Food International Ltd.
Yavne, Israel

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated statements of financial position of G. Willi-Food International Ltd (the "Company") as of December 31, 2025 and 2024, and the related consolidated statements of income and comprehensive income, changes in equity, and cash flows for each of the three years in the period ended December 31, 2025, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2025, in conformity with International Financial Reporting standards as issued by the International Accounting Standards Board.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audit, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Tel Aviv	Jerusalem	Haifa	Beer Sheva	Bene Berak	Kiryat Shmona	Petach Tikva	Modiin Ilit	Nazareth Ilit	Eilat
+972-3-6386868	+972-2-6546200	+972-4-8680600	+972-77-7784100	+972-73-7145300	+972-77-5054906	+972-77-7784180	+972-8-9744111	+972-4-6555888	+972-8-6339911

Head Office: Amot BDO House, 48 Menachem Begin Road, Tel Aviv 6618001, ISRAEL **Email:** bdo@bdo.co.il **Our Site:** www.bdo.co.il

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Critical Audit Matters

Critical audit matters are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. We determined that there are no critical audit matters.

We have served as the Company's auditor since 2018.

/s/ Ziv Haft
Ziv Haft
Certified Public Accountants (Isr)
BDO Member Firm

Tel Aviv, Israel
March 24, 2026

Tel Aviv	Jerusalem	Haifa	Beer Sheva	Bene Berak	Kiryat Shmona	Petach Tikva	Modiin Ilit	Nazareth Ilit	Eilat
+972-3-6386868	+972-2-6546200	+972-4-8680600	+972-77-7784100	+972-73-7145300	+972-77-5054906	+972-77-7784180	+972-8-9744111	+972-4-6555888	+972-8-6339911

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G. WILLI-FOOD INTERNATIONAL LTD.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(NIS in thousands)

		December 31,		
	Note	2 0 2 5	2 0 2 4	2 0 2 5 (*)
		NIS	NIS	US Dollars (in thousands)
Assets				
Current assets				
Cash and cash equivalents	12	124,158	122,938	38,921
Financial assets at fair value through profit or loss	3	124,591	123,189	39,057
Trade receivables, Net	13	181,762	171,331	56,979
Other receivables and prepaid expenses	14	2,244	7,384	703
Inventories, Net	15	94,074	98,234	29,490
Current tax assets	10	1,585	744	497
Total current assets		528,414	523,820	165,647
Non-current assets				
Property, plant, and equipment		201,692	168,217	63,226
Less -accumulated depreciation		63,468	58,349	19,896
Property, plant, and equipment, net	16	138,224	109,868	43,330
Right of use assets, net	17	4,562	4,814	1,430
Financial assets at fair value through profit or loss	3	49,067	47,842	15,381
Goodwill		36	36	11
Total non-current assets		191,889	162,560	60,152
Total assets		720,303	686,380	225,799

(*) Convenience Translation into US Dollars.

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

G. WILLI-FOOD INTERNATIONAL LTD.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(NIS in thousands)
(Cont.)

	Note	December 31,		
		2 0 2 5	2 0 2 4	2 0 2 5 (*)
		NIS	NIS	US Dollars (in thousands)
Equity and liabilities				
Current liabilities				
Current maturities of lease liabilities	17	2,191	2,179	687
Trade payables	19	23,291	28,203	7,301
Employees Benefits	20	4,861	4,532	1,524
Other payables and accrued expenses	21	17,438	25,015	5,466
Total current liabilities		<u>47,781</u>	<u>59,929</u>	<u>14,978</u>
Non-current liabilities				
Lease liabilities	17	2,739	2,521	859
Deferred taxes	10	13,331	9,888	4,179
Retirement benefit obligation	20, 23	1,361	1,102	427
Total non-current liabilities		<u>17,431</u>	<u>13,511</u>	<u>5,465</u>
Shareholders' equity				
Share capital	22	1,492	1,491	467
Additional paid in capital		174,700	173,062	54,765
Re-measurement of the net liability in respect of defined benefit		(256)	(256)	(81)
Capital fund		247	247	77
Retained earnings		479,536	439,024	150,325
Treasury shares		(628)	(628)	(197)
Total equity		<u>655,091</u>	<u>612,940</u>	<u>205,356</u>
Total equity and liabilities		<u>720,303</u>	<u>686,380</u>	<u>225,799</u>

(*) Convenience Translation into US Dollars.

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

The financial statements were approved by the board of directors of the company on March 24, 2026.

G. WILLI-FOOD INTERNATIONAL LTD.
CONSOLIDATED STATEMENTS OF COMPREHNSIVE INCOME
(NIS in thousands)

	Note	Year ended December 31,			
		2 0 2 5	2 0 2 4	2 0 2 3	2 0 2 5 (*)
		NIS	NIS	NIS	US Dollars (in thousands)
Sales	4	610,605	575,795	543,262	191,412
Cost of sales	5	435,781	414,461	422,695	136,609
Gross profit		174,824	161,334	120,567	54,803
Operating costs and expenses					
Selling expenses	6	71,721	68,893	74,216	22,483
General and administrative expenses	7	28,767	26,165	26,110	9,018
Operating profit before other expenses (income)		74,336	66,276	20,241	23,302
Other expenses (Income)	26	(95)	11,402	(109)	(31)
Operating profit		74,431	54,874	20,350	23,333
Finance Income	9	44,784	39,741	20,363	14,039
Finance expenses	9	2,628	1,933	1,521	824
Finance Income, net		42,156	37,808	18,842	13,215
Profit before taxes on Income		116,587	92,682	39,192	36,548
Taxes on Income	10	26,156	22,367	7,536	8,199
Net Income		90,431	70,315	31,656	28,349
Earnings per share:					
Basic earnings per share		6.50	5.07	2.28	2.04
Diluted earnings per share	11	6.50	5.07	2.28	2.04
Weighted average number of Shares used in computation of basic EPS		13,906,412	13,874,334	13,867,017	13,906,412
Weighted average number of Shares used in computation of diluted EPS		13,913,507	13,874,334	13,867,017	13,913,507

(*) Convenience Translation into US Dollars.

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

G. WILLI-FOOD INTERNATIONAL LTD.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(NIS in thousands)

	Year ended December 31,			
	<u>2 0 2 5</u>	<u>2 0 2 4</u>	<u>2 0 2 3</u>	<u>2 0 2 5 (*)</u>
	<u>NIS</u>	<u>NIS</u>	<u>NIS</u>	<u>US Dollars (in thousands)</u>
Net Income	<u>90,431</u>	<u>70,315</u>	<u>31,656</u>	<u>28,349</u>
Other comprehensive Income (Expenses)				
Re-measurement of net liabilities with respect to a defined benefit which will not be classified in the future as profit or loss, net of tax	-	(102)	41	-
Other comprehensive Income (Expenses) for the year	<u>-</u>	<u>(102)</u>	<u>41</u>	<u>-</u>
Total comprehensive Income for the year	<u>90,431</u>	<u>70,213</u>	<u>31,697</u>	<u>28,349</u>

(*) Convenience Translation into US Dollars.

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

G. WILLI-FOOD INTERNATIONAL LTD.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(NIS in thousands)

	Share capital	Additional paid in capital	Re-Measurement of the net liability in respect of defined benefit	Capital fund	Retained earnings	Treasury shares	Total shareholders' equity
Balance – January 1, 2023	1,490	171,550	(195)	247	386,980	(628)	559,444
Profit for the year	-	-	-	-	31,656	-	31,656
Measurement of the net liability in respect of defined benefit	-	-	41	-	-	-	41
Total comprehensive Income for the year	-	-	41	-	31,656	-	31,697
Share based payment	-	1,039	-	-	-	-	1,039
Dividend distribution	-	-	-	-	(39,945)	-	(39,945)
Balance – December 31, 2023	1,490	172,589	(154)	247	378,691	(628)	552,235
Profit for the year	-	-	-	-	70,315	-	70,315
Measurement of the net liability in respect of defined benefit	-	-	(102)	-	-	-	(102)
Total comprehensive Income for the year	-	-	(102)	-	70,315	-	70,213
Share based payment	-	473	-	-	-	-	473
Conversion of share based payment options	1	-	-	-	-	-	1
Dividend distribution	-	-	-	-	(9,982)	-	(9,982)
Balance – December 31, 2024	1,491	173,062	(256)	247	439,024	(628)	612,940
Profit for the year	-	-	-	-	90,431	-	90,431
Measurement of the net liability in respect of defined benefit	-	-	-	-	-	-	-
Total comprehensive Income for the year	-	-	-	-	90,431	-	90,431
Share based payment	-	1,639	-	-	-	-	1,639
Conversion of share based payment options	1	(1)	-	-	-	-	-
Dividend distribution	-	-	-	-	(49,919)	-	(49,919)
Balance – December 31, 2025	1,492	174,700	(256)	247	479,536	(628)	655,091

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

G. WILLI-FOOD INTERNATIONAL LTD.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(NIS in thousands)

	Year ended December 31,			
	2025	2024	2023	2025 (*)
	NIS	NIS	NIS	US Dollars (in thousands)
<u>CASH FLOWS – OPERATING ACTIVITIES</u>				
Profit from continuing operations	90,431	70,315	31,656	28,349
Adjustments to reconcile net profit to net cash provided (used in) continuing operating activities (Appendix A)	(31,630)	(27,342)	2,052	(9,916)
Net cash from operating activities	58,801	42,973	33,708	18,433
<u>Cash flows – investing activities</u>				
Acquisition of property plant and equipment	(5,801)	(5,414)	(4,605)	(1,818)
Acquisition of property plant and equipment under construction	(28,172)	(43,332)	(18,941)	(8,833)
Proceeds from sale of property plant and Equipment	95	552	208	31
Proceeds from sale (purchase) of marketable securities, net	29,750	2,482	18,166	9,326
Net cash used in investing activities	(4,128)	(45,712)	(5,172)	(1,294)
<u>Cash flows – financing activities</u>				
Lease liability payments	(1,879)	(2,322)	(2,408)	(589)
Dividend distribution	(49,919)	(9,982)	(39,945)	(15,649)
Net cash used in financing activities	(51,798)	(12,304)	(42,353)	(16,238)
Increase (decrease) in cash and cash equivalents	2,875	(15,043)	(13,817)	901
Cash and cash equivalents at the beginning of the financial year	122,938	137,466	150,607	38,539
Exchange gains (losses) on cash and cash equivalents	(1,655)	515	676	(519)
Cash and cash equivalents of the end of the financial year	124,158	122,938	137,466	38,921

(*) Convenience Translation into US Dollars.

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

G. WILLI-FOOD INTERNATIONAL LTD.
APPENDIX A TO CONSOLIDATED STATEMENTS OF CASH FLOWS
(NIS in thousands)

	Year ended December 31,			
	2025	2024	2023	2025 (*)
	NIS	NIS	NIS	US Dollars (in thousands)
Cash flows from/ (used in) operating activities				
A. Adjustments to reconcile net profit to net cash from operating activities				
Increase in deferred income taxes	3,443	5,020	670	1,079
Unrealized gain on marketable securities	(32,377)	(25,207)	(5,597)	(10,150)
Depreciation and amortization	5,617	(**) 5,177	(**) 4,546	1,761
Depreciation expense on right-to-use assets	2,361	(**) 2,125	(**) 2,404	740
Capital gain on disposal of property plant and equipment	(95)	(263)	(109)	(31)
Exchange losses (gains) on cash and cash equivalents	1,655	(515)	(676)	519
Share based payment	1,639	473	1,039	514
Changes in assets and liabilities:				
Decrease in trade receivables and other receivables	17,212	18,047	7,527	5,396
Decrease (Increase) in inventories	4,160	(35,759)	9,454	1,304
Increase (decrease) in trade payables, other payables and other current liabilities	(11,901)	21,026	(3,547)	(3,730)
Cash generated from operations	(8,286)	(9,876)	15,711	(2,598)
Income tax paid	(23,344)	(17,466)	(13,659)	(7,318)
Net cash provided by (used in) operating activities	(31,630)	(27,342)	2,052	(9,916)

(*) Convenience Translation into US Dollars.

(**) Reclassified

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

G. WILLI-FOOD INTERNATIONAL LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(NIS in thousands)
(Cont.)

Note 1 – Basis of preparation

The Company was incorporated in Israel in January 1994 under the name G. Willi-Food Ltd. and commenced operations in February 1994. It changed its name to G. Willi-Food International Ltd. on June 1996. The Company's corporate headquarters and principal executive offices are located at 4 Nahal Harif Street, Northern Industrial Zone, Yavne 81106, Israel.

The Company completed its IPO in the United States in May 1997, at which time its ordinary shares began trading on the Nasdaq Capital Market, where they currently trade under the symbol "WILC". On June 15, 2020, our ordinary shares began trading on the Tel Aviv Stock Exchange under the symbol "WILF".

The Company is an Israeli-based company specializing in high-quality, great-tasting kosher food products. The Company is engaged, directly and through subsidiaries, in the design, import, marketing and distribution of a wide variety of over 650 food products worldwide. In the three years that ended on December 31, 2025, substantially all our revenue was generated in Israel, with less than 1% of our revenue resulting from exports outside Israel.

The Company purchases food products from over 125 suppliers located in Israel and throughout the world, including from the Far East (China, India, the Philippines Thailand and Vietnam), Eastern Europe (Poland, Lithuania, Bosnia and Latvia), South America (Ecuador and Peru), Western and Central Europe (the Netherlands, Belgium, Germany, Austria, Sweden, Switzerland, Denmark, and France) and Southern Europe (Spain, Italy, Turkey and Greece) and more.

The Company's products are marketed and sold to approximately 1,500 customers and 3,000 selling points in Israel, including to supermarket chains, wholesalers and institutional consumers. The Company markets most of its products under the brand name "Willi-Food," and most of its chilled and frozen products under the brand name "Euro European Dairies". Certain products are marketed under brand names of other manufacturers or under other brand names.

G. WILLI-FOOD INTERNATIONAL LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(NIS in thousands)
(Cont.)

Note 1 – Basis of preparation (continued)

Following changes in management in recent years, the Company continues to re-evaluate its strategic position and consider other business opportunities. As part of this re-evaluation, the Company is considering forming strategic alliances with or entering into different lines of business, expanding its product lines, and increasing product sales with existing customers while adding new customers. In addition, the Company is examining M&A opportunities to further increase its market presence.

As of March, 24, 2026, the Company's principal shareholder, Willi-Food Investments Ltd, held approximately 58.8% of our ordinary shares.

The principal accounting policies adopted in the preparation of the consolidated financial statements are set out in note 27. The policies have been consistently applied to all the years presented, unless otherwise stated.

The consolidated financial statements are presented in New Israeli Shekels (NIS), which is also the Company functional currency.

The translation from New Israeli Shekels (NIS) into U.S. dollars was made at the exchange rate as of December 31, 2025, on which USD 1.00 equaled NIS 3.190 The use of USD is solely for the convenience of the reader.

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards and International Accounting Standards as issued by the International Accounting Standards Board (IASB) and Interpretations (collectively IFRSs).

The preparation of financial statements in compliance with adopted IFRS requires the use of certain critical accounting estimates. It also requires Company management to exercise judgment in applying the Company's accounting policies. The areas where significant judgments and estimates have been made in preparing the consolidated financial statements and their effect are disclosed in note 2.

Basis of measurement:

The consolidated financial statements have been prepared on a historical cost basis, except for the following items (refer to individual accounting policies for details):

- Financial instruments – fair value through profit or loss
- Net defined benefit liability

G. WILLI-FOOD INTERNATIONAL LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(NIS in thousands)
(Cont.)

Note 1 – Basis of preparation (continued)

Changes in accounting policies

A. New standards, interpretations and amendments adopted from 1 January, 2025:

The following amendments are effective for the period beginning 1 January 2025:

- Lack of exchangeability (Amendment to IAS 21 The Effects of Changes in Foreign Exchange Rates).

On 15 August 2023, the IASB issued Lack of Exchangeability which amended IAS 21 The Effects of Changes in Foreign Exchange Rates (the Amendments). The Amendments introduce requirements to assess when a currency is exchangeable into another currency and when it is not. The Amendments require an entity to estimate the spot exchange rate when it concludes that a currency is not exchangeable into another currency.

These amendments had no effect on the consolidated financial statements of the Company.

The following illustrative examples have been issued during 2025 with no effective date:

- Illustrative examples on reporting uncertainties in financial statements.

On 28 November 2025, the IASB issued Disclosures about Uncertainties in the Financial Statements – Illustrative examples, which-amended multiple IFRS Accounting Standards to include illustrative examples demonstrating how companies can apply IFRS Accounting Standards when reporting the effects of uncertainties in their financial statements. The illustrative examples are accompanying materials to IFRS Accounting Standards and do not have an effective date. The IASB had issued a near-final staff draft of the illustrative examples in July 2025. The Company has considered these illustrative examples in its preparation of the consolidated financial statements and no additional disclosures or changes in presentation were considered necessary.

G. WILLI-FOOD INTERNATIONAL LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(NIS in thousands)
(Cont.)

Note 1 – Basis of preparation (continued)

Changes in accounting policies (continued)

B. New standards, interpretations and amendments not yet effective

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Company has decided not to adopt early.

The following standards and amendments are effective for the annual reporting period beginning 1 January 2027:

- IFRS 18 Presentation and Disclosure in Financial Statements
- IFRS 19 Subsidiaries without Public Accountability: Disclosures.

The Company is currently assessing the effect of these new accounting standards and amendments.

IFRS 18 Presentation and Disclosure in Financial Statements, which was issued by the IASB in April 2024 supersedes IAS 1 and will result in major consequential amendments to IFRS Accounting Standards including IAS 8 Basis of Preparation of Financial Statements (renamed from Accounting Policies, Changes in Accounting Estimates and Errors). Even though IFRS 18 will not have any effect on the recognition and measurement of items in the consolidated financial statements, it is expected to have a significant effect on the presentation and disclosure of certain items. These changes include categorization and sub-totals in the statement of profit or loss, aggregation/disaggregation and labelling of information, and disclosure of management-defined performance measures.

The Company does not expect to be eligible to apply IFRS 19.

G. WILLI-FOOD INTERNATIONAL LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(NIS in thousands)
(Cont.)

Note 2 – Critical accounting estimates and assumptions

The Company makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Estimates and assumptions:

- Fair value measurement

several assets included in the Company's financial and non-financial assets utilizes market observables inputs and data as far as possible. Inputs used in determining fair value measurement are categorized into different levels based on how observable the inputs used in the valuation technique utilized are (the 'fair value hierarchy'):

- Level 1: Quoted priced in active markets for identical items (unadjusted)
- Level 2: Observable direct or indirect inputs other than level 1 inputs.
- Level 3: Unobservable inputs (i.e., not derived from market data).

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item. Transfers of items between levels are recognized in the period they occur.

The Company measures part of its financial instruments at fair value:

- Current financial assets at fair value through profit or loss (see note 3)
- Non-current financial assets at fair value through profit or loss (see note 3)

G. WILLI-FOOD INTERNATIONAL LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(NIS in thousands)
(Cont.)

Note 3 – Financial instruments risk management

The Company is exposed through its operations to the following financial risks:

- Credit risk
- Other market price risk
- Foreign exchange risk
- Global changes in raw-material prices

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

(i) Principal financial instruments

The principal financial instruments used by the Company, from which financial instrument risk arises, are as follows:

- Cash and cash equivalents
- Trade and other receivables
- Financial assets at fair value through profit or loss
- Lease liabilities
- Trade payables

(ii) Financial instruments by category

Financial assets:

	Fair value through profit or loss		Amortized cost	
	2025	2024	2025	2024
	NIS in thousands			
Cash and cash equivalents	-	-	124,158	122,938
Financial assets at fair value through profit or loss	173,658	171,031	-	-
Trade and other receivables	-	-	184,006	178,715
Total financial assets	173,658	171,031	308,164	301,653

G. WILLI-FOOD INTERNATIONAL LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(NIS in thousands)
(Cont.)

Note 3 – Financial instruments risk management (continued)

(ii) Financial instruments by category (continued)

Financial liabilities:

	Amortized cost	
	2025	2024
	NIS in thousands	
Trade payables	23,291	28,203
Lease liabilities	4,930	4,700
Total financial liabilities	28,221	32,903

(iii) Financial instruments not measured at fair value

Financial instruments not measured at fair value includes cash and cash equivalents, loans to others, trade and other receivables and trade payables.

Due to their short-term nature, the carrying value of cash and cash equivalents, loans to others, trade and other receivables, and trade payables approximates their fair value.

(iv) Financial instruments measured at fair value

The fair value hierarchy of financial instruments measured at fair value is provided below

	Level 1		Level 2		Level 3	
	2025	2024	2025	2024	2025	2024
	NIS in thousands					
Financial assets at fair value through profit or loss	124,591	123,189	-	-	49,067	47,842

There were no transfers between levels during the period.

There were not any changes with the valuation techniques and significant unobservable inputs used in determining the fair value during the period.

The fair value of the investment in non-tradable participation units is calculated using the asset value method.

G. WILLI-FOOD INTERNATIONAL LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(NIS in thousands)
(Cont.)

Note 3 – Financial instruments risk management (continued)
(iv) Financial instruments measured at fair value (continued)

The reconciliation of the opening and closing fair value balance of financial instruments is provided below:

Financial assets at fair value through profit or loss:	Level 1	Level 3
	NIS in thousands	
January 1, 2025	123,189	(*) 47,842
Purchases	45,304	1,000
Disposals	(76,054)	-
Gain (Loss)	32,152	225
December 31, 2025	124,591	49,067

(*) In the company's assessment, as of January 1, 2025, the book value of the investment approximates its fair value.

General objectives, policies and processes

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company is mainly exposed to credit risk from credit sales. It is Company policy, implemented locally, to assess the credit risk of new customers before entering contracts. Such credit ratings are taken into account by local business practices.

The Company has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, when available, and in some cases bank references. Purchase limits are established for each customer, which represents the maximum open amount.

G. WILLI-FOOD INTERNATIONAL LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(NIS in thousands)
(Cont.)

Note 3 – Financial instruments risk management (continued)

Other market price risk

The Company is exposed to price risks of shares, certificate of participation in mutual fund and bonds, which are classified as financial assets carried at fair value through profit or loss.

The effect of a 10% increase in the value of the portfolio securities investment held at the reporting date would, if all other variables held constant, have resulted in an increase in the fair value through profit or loss and net assets of NIS 9,881 thousand (2024: NIS 14,431 thousand). A 10% decrease in their value would, on the same basis, have decreased the fair value through other profit or loss reserve and net assets by the same amount.

Foreign exchange risk

Foreign exchange risk arises when the Company enters into transactions denominated in a currency other than its functional currency. The Company buys its inventories mostly in USD and EURO and sells its products in NIS. Foreign exchange exposures are managed within utilizing forward foreign exchange contracts.

As of December 31, the Company's net exposure to foreign exchange risk was as follows:

	2025	2024
Net foreign currency financial assets/(liabilities)	NIS in thousands	
US Dollars	17,418	20,323
EURO	(4,935)	2,560
Total net exposure	12,483	22,883

The following table details the Company's sensitivity to a 10% increase and decrease in the NIS against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. A positive number below indicates an increase in profit and other equity where the NIS strengthens 10% against the relevant currency. For a 10% weakening of the NIS against the relevant currency, there would be opposite impact on the profit and other equity, and the balances below would be negative.

	US Dollars		EURO	
	2025	2024	2025	2024
	NIS in thousands			
10% increase	1,742	2,032	(494)	256
10% decrease	(1,742)	(2,032)	494	(256)

G. WILLI-FOOD INTERNATIONAL LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(NIS in thousands)
(Cont.)

Note 3 – Financial instruments risk management (continued)

Global changes in raw-material prices

Raw material prices are mainly affected by weather fluctuations affecting agricultural crops, crude oil prices, accelerated growth and growing demand in developing countries affecting world consumption, rise in living standards mainly in developing countries and speculative transactions in the commodity market. A possible rise in the price of raw materials may lead to higher prices for products by suppliers. Sharp price increases in commodity prices may have a material adverse effect on the Company's operations and business results.

Note 4 – Segment information

The Company has one reportable segment:

- Import- export, marketing and distribution of food products.

Factors that management used to identify the Company's reportable segments

The Company's reportable segments are strategic business units that offer different products and services. They are managed separately because each business requires different marketing strategies.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision maker has been identified as the management team including the Chief Executive Officer, and the co-chairman of the board of directors.

The table below shows the Company's revenues from major groups of products that contributed 10% or more to the Company's total revenues in the years 2023 to 2025:

	Year ended December 31,			
	2 0 2 5	2 0 2 4	2 0 2 3	2 0 2 5
	NIS	NIS	NIS	US Dollars
Dairy and Dairy Substitute Products	213,480	209,974	212,728	66,608
Canned Vegetables, Fruits and Pickles	110,255	104,027	(*) 86,212	34,563
Canned Fish	86,302	83,056	74,750	27,367
Cereals, rice and pastas	74,577	59,026	61,573	23,378
Oils	47,942	46,727	43,058	15,029
Other	78,049	72,985	(*) 64,941	24,467
	610,605	575,795	543,262	191,412

(*) Reclassified

G. WILLI-FOOD INTERNATIONAL LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(NIS in thousands)
(Cont.)

Note 4 – Segment information (continued)
Revenues by customer group

	Percentage of Total Sales Year ended December 31,		
	<u>2 0 2 5</u>	<u>(*) 2 0 2 4</u>	<u>(*) 2 0 2 3</u>
Large retail supermarket chains	55%	53%	53%
Small supermarket chains	15%	15%	14%
Institutional market - wholesalers	9%	10%	10%
Private customers	8%	6%	6%
Institutional market - catering and restaurants	7%	7%	9%
Government customers	1%	3%	3%
Other customers	5%	6%	5%
	100%	100%	100%

Revenues from main customers of the Import segment

The Company has one customer who represented more than 10% of the total sales which amounted to NIS 65,084 thousand in 2025 (2024: NIS 51,371 thousand 2023: NIS 60,431 thousand).

Note 5 – Cost of sales

	Year ended December 31,			
	<u>2 0 2 5</u>	<u>2 0 2 4</u>	<u>2 0 2 3</u>	<u>2 0 2 5</u>
	<u>NIS</u>	<u>NIS</u>	<u>NIS</u>	<u>US Dollars</u>
Purchases	379,700	391,931	377,013	119,028
Marine transportation	21,507	22,888	17,039	6,742
Maintenance	5,063	5,789	(*) 5,585	1,587
External Storage	8,477	5,012	(*) 4,930	2,657
Transportation	4,280	3,830	3,120	1,342
Salaries and related expenses	3,092	3,145	2,800	969
Depreciation and amortization	3,324	2,951	2,562	1,042
Packing materials	2,621	2,881	1,746	822
Personnel services	2,611	1,030	-	819
Outsourced packing	26	641	3,195	8
Other costs and expenses	3,565	3,387	3,101	1,118
	<u>434,266</u>	<u>443,485</u>	<u>421,091</u>	<u>136,134</u>
Changes in inventories of finished products	1,515	(29,024)	1,604	475
	<u>435,781</u>	<u>414,461</u>	<u>422,695</u>	<u>136,609</u>

(*) Reclassified

G. WILLI-FOOD INTERNATIONAL LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(NIS in thousands)
(Cont.)

Note 6 – Selling expenses

	Year ended December 31,			
	2025	2024	2023	2025
	NIS	NIS	NIS	US Dollars
Transportation and Distribution	24,377	23,425	22,048	7,642
Salaries and related expenses	23,759	22,954	22,728	7,448
Advertising and promotion	7,399	8,297	11,923	2,319
Personnel services	4,073	3,963	4,388	1,277
Vehicles	4,525	3,690	3,793	1,418
Depreciation and amortization	2,719	2,600	2,923	852
Share based payment expense	371	178	435	116
Others	4,498	3,786	5,978	1,411
	<u>71,721</u>	<u>68,893</u>	<u>74,216</u>	<u>22,483</u>

Note 7 – General and administrative expenses

	Year ended December 31,			
	2025	2024	2023	2025
	NIS	NIS	NIS	US Dollars
Salaries and related expenses	20,950	17,397	16,598	6,568
Professional services	1,912	2,675	2,471	599
Office maintenance	1,505	1,764	1,667	472
Depreciation and amortization	1,935	1,751	1,465	607
Vehicles	467	634	507	146
Share based payment expense	1,268	295	604	398
Communication	67	74	94	21
Bad and doubtful debts	(643)	(426)	(46)	(202)
Other	1,306	2,001	2,750	409
	<u>28,767</u>	<u>26,165</u>	<u>26,110</u>	<u>9,018</u>

G. WILLI-FOOD INTERNATIONAL LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(NIS in thousands)
(Cont.)

Note 8 – Employee benefit expenses

Key management personnel compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, including the directors of the company and other senior officers.

Key management personnel expenses comprise:

	Year ended December 31,			
	2025	2024	2023	2025
	NIS	NIS	NIS	US Dollars
Salary and management fees	5,312	6,286	6,021	1,665
Bonus	5,356	3,259	2,661	1,679
Share based payment expense	1,509	249	536	473
Directors' remuneration	245	215	228	77
	<u>12,422</u>	<u>10,009</u>	<u>9,446</u>	<u>3,894</u>

Note 9 – Finance income and expenses

Finance income:	Year ended December 31,			
	2025	2024	2023	2025
	NIS	NIS	NIS	US Dollars
Interest from Short-term bank deposits	4,237	4,258	4,644	1,328
Dividends	4,241	5,378	5,201	1,329
Changes in fair value of financial assets at fair values	31,899	(*) 23,802	3,567	10,000
Income from revaluation of a long-term financial assets	1,143	(*) 2,049	2,030	358
Foreign currency differences	-	367	676	-
Interest Income of debentures held for trading	3,141	3,811	4,207	985
Other interest	123	76	38	39
Total finance income	<u>44,784</u>	<u>39,741</u>	<u>20,363</u>	<u>14,039</u>

Finance expenses:	Year ended December 31,			
	2025	2024	2023	2025
	NIS	NIS	NIS	US Dollars
Bank fees	525	586	535	165
Portfolio management fees	587	1,107	204	184
Foreign currency differences	1,181	-	-	370
Other	335	240	782	105
Total finance expenses	<u>2,628</u>	<u>1,933</u>	<u>1,521</u>	<u>824</u>

(*) Reclassified

G. WILLI-FOOD INTERNATIONAL LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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(Cont.)

Note 10 – Tax on income

Tax balances presented in the statement of financial position:

	December 31,		
	2025	2024	2025
	NIS	NIS	US Dollars
Current tax assets	1,585	744	497
Deferred tax liabilities	(13,331)	(9,888)	(4,179)

	January		December	December
	1, 2025	Change	31, 2025	31, 2025
	NIS	NIS	NIS	US Dollars
Deferred taxes arise from the following:				
Financial assets carried at fair value through profit or loss	(10,819)	(3,293)	(14,112)	(4,424)
Leases	27	12	39	12
Employees benefits	521	86	607	190
Allowance of credit loss	219	(134)	85	27
Carry forward tax losses	164	(114)	50	16
	<u>(9,888)</u>	<u>(3,443)</u>	<u>(13,331)</u>	<u>(4,179)</u>

	January		December	December
	1, 2024	Change	31, 2024	31, 2024
	NIS	NIS	NIS	US Dollars
Deferred taxes arise from the following:				
Financial assets carried at fair value through profit or loss	(5,845)	(4,974)	(10,819)	(3,392)
Leases	19	8	27	8
Employees benefits	501	20	521	163
Allowance of credit loss	317	(98)	219	69
Carry forward tax losses	140	24	164	52
	<u>(4,868)</u>	<u>(5,020)</u>	<u>(9,888)</u>	<u>(3,100)</u>

Taxes on income recognized in profit or loss:

	Year ended December 31,			
	2025	2024	2023	2025
	NIS	NIS	NIS	US Dollars
Current taxes:				
Current taxes	22,713	17,347	6,866	7,120
	<u>22,713</u>	<u>17,347</u>	<u>6,866</u>	<u>7,120</u>
Change in deferred taxes	3,443	5,020	670	1,079
	<u>26,156</u>	<u>22,367</u>	<u>7,536</u>	<u>8,199</u>

G. WILLI-FOOD INTERNATIONAL LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(NIS in thousands)
(Cont.)

Note 10 – Tax on income (continued)

Reconciliation of the statutory tax rate to the effective tax rate:

	Year ended December 31,			
	2025	2024	2023	2025
	NIS	NIS	NIS	US Dollars
Income before Income taxes	116,587	92,682	39,192	36,548
Statutory tax rate	23%	23%	23%	23%
Tax computed by statutory tax rate	26,815	21,317	9,014	8,405
Tax increments (savings) due to:				
Non-deductible expenses	451	2,515	541	141
Temporary differences	(39)	(27)	(19)	(12)
Taxes for previous years	-	-	(268)	-
Tax exempt Income	(909)	(1,299)	(1,224)	(284)
Other	(162)	(139)	(508)	(51)
	<u>26,156</u>	<u>22,367</u>	<u>7,536</u>	<u>8,199</u>

The tax rate applicable to the Company for the years 2023 – 2025 is 23%.

Note 11 – Earning per share

	Year ended December 31,			
	2025	2024	2023	2025
	NIS	NIS	NIS	US Dollars
Basic and diluted earnings per share:				
Earnings used in the calculation of basic and diluted earnings per share	<u>90,431</u>	<u>70,315</u>	<u>31,656</u>	<u>28,349</u>
Weighted average number of shares used in computing basic earnings per share	<u>13,906,412</u>	<u>13,874,334</u>	<u>13,867,017</u>	<u>13,906,412</u>
Weighted average number of shares used in computing diluted earnings per share	<u>13,913,507</u>	<u>13,874,334</u>	<u>13,867,017</u>	<u>13,913,507</u>

G. WILLI-FOOD INTERNATIONAL LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(NIS in thousands)
(Cont.)

Note 12 – Cash and cash equivalents

	December 31,		
	2 0 2 5	2 0 2 4	2 0 2 5
	NIS	NIS	US Dollars
Short-term bank deposits	115,623	104,090	36,245
Cash in bank	8,535	18,848	2,676
	<u>124,158</u>	<u>122,938</u>	<u>38,921</u>

Note 13 – Trade receivables, Net

Composition:

	December 31,		
	2 0 2 5	2 0 2 4	2 0 2 5
	NIS	NIS	US Dollars
Open accounts	166,804	153,871	52,290
Checks receivables	17,811	20,730	5,583
Credit cards	836	518	262
Less – estimated credit loss	(368)	(954)	(115)
Less – provision for return of goods	(3,321)	(2,834)	(1,041)
	<u>181,762</u>	<u>171,331</u>	<u>56,979</u>

The table below shows the open accounts balance as of December 31, 2025, and 2024 segmented by the due date.

	Open accounts - days past due					
	NIS in thousands					
As of:	Not past due	<30	31-60	61-90	>90	Total
December 31, 2025	160,397	6,340	62	5	-	166,804
December 31, 2024	150,532	3,122	117	62	38	153,871

Changes in the allowance of credit loss

	December 31,		
	2 0 2 5	2 0 2 4	2 0 2 5
	NIS	NIS	US Dollars
Balance at beginning of the year	954	1,378	299
Changes in allowance for doubtful debts	(586)	(424)	(184)
Balance at end of the year	<u>368</u>	<u>954</u>	<u>115</u>

G. WILLI-FOOD INTERNATIONAL LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(NIS in thousands)
(Cont.)

Note 14 – Other receivables and prepaid expenses

	December 31,		
	2 0 2 5	2 0 2 4	2 0 2 5
	NIS	NIS	US Dollars
Advances to suppliers	654	5,991	205
Prepaid expenses	399	438	125
Others	1,191	955	373
	<u>2,244</u>	<u>7,384</u>	<u>703</u>

Note 15 – Inventories, Net

	December 31,		
	2 0 2 5	2 0 2 4	2 0 2 5
	NIS	NIS	US Dollars
Finished products	81,283	83,216	25,481
Inventory in transit	13,597	16,111	4,262
Less – Provision of slow-moving inventory	(806)	(1,093)	(253)
	<u>94,074</u>	<u>98,234</u>	<u>29,490</u>

The Company records a provision for slow moving inventory in respect of inventory items estimated by management not to be realized due to expiration date. The slow-moving inventory is based on the historic realization rate of the respective item as well as on management's estimate with respect to its future realization rate.

G. WILLI-FOOD INTERNATIONAL LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(NIS in thousands)
(Cont.)

Note 16 – Property, plant and equipment

	Land and Building	New logistics Center (*)	Machinery and equipment	Motor Vehicles	Computers and equipment	Office Furniture	Total
Consolidated Cost:							
Balance -January 1, 2024	59,438	26,826	13,073	11,062	9,498	2,325	122,222
Changes during 2024:							
Additions	341	43,332	2,562	1,028	1,213	270	48,746
Dispositions	-	-	(999)	(1,752)	-	-	(2,751)
Balance – December 31, 2024	59,779	70,158	14,636	10,338	10,711	2,595	168,217
Changes during 2025:							
Additions	283	28,172	3,078	1,156	1,179	105	33,973
Dispositions	-	-	-	(498)	-	-	(498)
Balance – December 31, 2025	60,062	98,330	17,714	10,996	11,890	2,700	201,692
Accumulated depreciation:							
Balance – January 1, 2024	30,859	-	6,480	10,352	6,764	1,181	55,636
Changes during 2024:							
Additions	2,907	-	496	568	1,149	57	5,177
Dispositions	-	-	(999)	(1,465)	-	-	(2,464)
Balance – December 31, 2024	33,766	-	5,977	9,455	7,913	1,238	58,349
Changes during 2025:							
Additions	2,949	-	598	756	1,250	64	5,617
Dispositions	-	-	-	(498)	-	-	(498)
Balance – December 31, 2025	36,715	-	6,575	9,713	9,163	1,302	63,468
Net book value:							
December 31, 2025	23,347	98,330	11,139	1,283	2,727	1,398	138,224
December 31, 2024	26,013	70,158	8,659	883	2,798	1,357	109,868
Net book value (US Dollars in thousands):							
December 31, 2025	7,319	30,824	3,492	402	855	438	43,330
December 31, 2024	8,155	21,993	2,714	276	877	425	34,440

**Property, plant and equipment
under construction**

(*) Under construction

G. WILLI-FOOD INTERNATIONAL LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(NIS in thousands)
(Cont.)

Note 17 – Leases

All leases are accounted for by recognizing a right-of-use asset and a lease liability except for leases for low value assets and leases with a duration of 12 months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate of borrowing rate on commencement of the lease is used.

Right to use assets are initially measured at the amount of the lease liability.

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-to-use assets are amortized on a straight-line basis over the shorter period of the remaining term of the lease or over the remaining economic life of the asset.

Nature of leasing activities

The Company enters into agreements for the lease of trucks and private vehicles for periods of 5 and 3 years respectively. The Company's lease payment liability is secured by the lessor's legal ownership of the assets.

Right of use assets, net

	December 31,		
	2025	2024	2025
	NIS	NIS	US Dollars
<u>Cost:</u>			
Opening balance	7,834	5,341	2,456
Dispositions	(1,879)	(2,322)	(589)
Additions	2,109	4,815	661
Closing balance	<u>8,064</u>	<u>7,834</u>	<u>2,528</u>
<u>Accumulated depreciation:</u>			
Opening balance	3,020	3,217	947
Dispositions	(1,879)	(2,322)	(589)
Depreciation	2,361	2,125	740
Closing balance	<u>3,502</u>	<u>3,020</u>	<u>1,098</u>
<u>Net book value</u>	<u>4,562</u>	<u>4,814</u>	<u>1,430</u>

G. WILLI-FOOD INTERNATIONAL LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(NIS in thousands)
(Cont.)

Note 17 – Leases (continued)
Leases liabilities

	December 31,		
	2025	2024	2025
	NIS	NIS	US Dollars
Opening balance	4,700	2,207	1,474
Additions	2,109	4,815	661
Payments	(1,879)	(2,322)	(589)
Closing balance	4,930	4,700	1,546

Amounts recognized in Statement of income

	For the year ended December 31		
	2025	2024	2025
	NIS	NIS	US Dollars
Depreciation expense on right-to-use assets	2,361	2,125	740
Interest expense on lease liabilities	296	240	93
Cancellation of rental expenses	(2,175)	(2,563)	(681)
	482	(198)	152

Note 18 – Subsidiaries

The principal subsidiaries of G. Willi-Food International Ltd, all of which have been included in these consolidated financial statements, are as follows:

Subsidiary	Country of incorporation and principal place of business	Proportion of ownership interest	
		December 31,	
		2025	2024
Euro European Dairies (Goldfrost) Ltd.	Israel	100%	100%
W.F.D. (Import, Marketing and Trading) Ltd.	Israel	100%	100%
W. Capital Ltd.	Israel	100%	100%

Note 19 – Trade payables

	December 31,		
	2025	2024	2025
	NIS	NIS	US Dollars
Open accounts	23,151	27,934	7,257
Checks payables	140	269	44
	23,291	28,203	7,301

G. WILLI-FOOD INTERNATIONAL LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(NIS in thousands)
(Cont.)

Note 20 – Employee benefit liabilities

Liabilities for employee benefits comprise:

	December 31,		
	2025	2024	2025
	NIS	NIS	US Dollars
Employee benefit	3,584	3,322	1,123
Accrual for annual leave	1,277	1,210	401
Defined benefit schemes (note 23)	1,361	1,102	427
	<u>6,222</u>	<u>5,634</u>	<u>1,951</u>

Estimates and assumptions

The costs, assets and liabilities of the defined benefit schemes operating by the Company are determined using methods relying on actuarial estimates and assumptions. Details of the key assumptions are set out in note 23. The Company takes advice from independent actuaries relating to the appropriateness of the assumptions. Changes in the assumptions used may have a significant effect on the consolidated statement of comprehensive income and the consolidated statement of financial position.

Note 21 – Other payables and accrued expenses

	December 31,		
	2025	2024	2025
	NIS	NIS	US Dollars
Accrued expenses	12,195	20,900	3,822
Customer advances	2,975	3,077	933
Other payables	2,268	1,038	711
	<u>17,438</u>	<u>25,015</u>	<u>5,466</u>

Note 22 – Share capital

Composition

	December 31	
	2025	2024
Ordinary shares of NIS 0.1 each	<u>50,000,000</u>	<u>50,000,000</u>
Issued and outstanding	<u>13,906,412</u>	<u>13,874,334</u>

G. WILLI-FOOD INTERNATIONAL LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(NIS in thousands)
(Cont.)

Note 23 – Defined benefit scheme

Defined benefit plans – General

According to labor laws and the Severance Pay Law in Israel, the Company is required to pay compensation to an employee upon dismissal or retirement (including employees who quit their job under other specific circumstances). The computation of the employee benefit liability is made according to the current employment contract based on the employee's latest salary which, in the opinion of management, establishes the entitlement to receive the compensation and considering the employment term.

The current legal retirement age is 64 for women, 65 for women who was born after January 1960 and 67 for men. Therefore, according to the plan, an employee who has been employed by the Company for at least one consecutive year (and under circumstances defined by law) and is dismissed after this period, is entitled to severance pay. The rate of compensation stipulated in the Law is the employee's last salary for each year of employment.

As part of the plan, the Company and its subsidiaries are obligated to deposit amounts, at a rate to be determined by law, in order to secure the accrual of severance pay. As stipulated in the Extension Order (Consolidated Version) of compulsory pension under the laws in Israel (hereinafter: "the Extension Order"). In the reporting year, the Company's rate of provisions for severance pay is 6%, to be deposited in a pension fund / insurance fund.

The actuary is not employed by the Company and is not dependent thereon. The present value of the defined benefit obligation and the relating costs of current and past services is calculated as the present value (without deducting the plan's assets) of the future payments expected to settle the liability, in consideration for the current and past services rendered by the employee.

The plan detailed above exposes the Company to the following risks: "investment risk", i.e., the risk that the program assets will bear a negative yield and thus reduce the plan's assets in a way that does not suffice to cover the obligation. i.e., risk of actuarial assumptions regarding the expected increase in wages will be underestimated Compared with the actual wage increases, thereby exposing the Company to the risk that the obligation will increase accordingly.

The current value of the Company's post-employment benefits obligation is based on an actuarial estimation. The actuarial estimation was performed by external actuary, member of Israel Association of Actuaries.

G. WILLI-FOOD INTERNATIONAL LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(NIS in thousands)
(Cont.)

Note 23 – Defined benefit scheme (continued)

The principal assumptions used for the purposes of the actuarial valuations were as follows:

	Valuation at	
	2 0 2 5	2 0 2 4
	%	%
Discount rate	4.61	5.44
Expected return on the plan assets	4.61	5.44
Rate of increase in compensation	5	5
Expected rate of termination:		
0-1 years	35	35
1-2 years	35	35
2-3 years	25	25
3-4 years	15	15
4-5 years	15	15
5 years and more	7.5	7.5

The assumptions regarding future mortality rates are based on mortality tables published and approved by the Ministry of Finance. The mortality rate of an active participant at retirement age (67 for men, 64 for women) is 0.6433% for men and 0.3574% for women.

The provisions of Standard 19 stipulate that interest used to capitalize assets and liabilities should reflect risk free interest that is interest on highly rated corporate bonds with similar maturity periods and terms. Until November 2014, absent quality data and information about bonds of this type, what was utilized was the interest on long-term index linked government bonds (index linked Galil)/or long-term shackle government bonds (NIS Dawn - "Shachar"). Following a decision by the Securities Authority, according to which there is a deep market for corporate bonds, and according to the publication of Accounting Staff Position number 12-1, as of this report, the capitalization interest is that of high-quality corporate bonds. Use of a quality curve as stated above is published by quoting companies which specialize in this field. The nominal interest rate for the capitalization appropriate for corporate bonds with high rankings as aforesaid, as of December 31, 2025, is 4.61% per year.

G. WILLI-FOOD INTERNATIONAL LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(NIS in thousands)
(Cont.)

Note 23 – Defined benefit scheme (continued)

Changes in the present value of the defined benefit obligation in the current period were as follows:

	December 31,		
	2025	2024	2025
	NIS	NIS	US Dollars
Opening defined benefit obligation	6,793	5,944	2,129
Current service cost	552	489	173
Interest cost	382	327	120
Actuarial losses/(gains) arising from changes in financial assumptions	249	(7)	78
Actuarial losses/(gains) arising from changes in demographic assumptions	-	(72)	-
Actuarial losses arising from experience adjustments	301	283	94
Benefits paid	(25)	(171)	(8)
Closing defined benefit obligation	8,252	6,793	2,586

Changes in the fair value of the defined benefit assets in the current period were as follows:

	December 31,		
	2025	2024	2025
	NIS	NIS	US Dollars
Opening defined benefit assets	5,742	4,937	1,800
Employer contribution	352	324	110
Expected return on the plan assets	324	275	101
Changes in financial assumptions	498	307	156
Interest losses on severance payment allocated to remuneration benefits	(25)	(29)	(8)
Benefits paid	-	(72)	-
Closing defined benefit assets	6,891	5,742	2,159

Adaption of the current value of defined benefit plan liability and the fair value of the plan's assets to the assets and liabilities recognized in the Balance Sheets:

	December 31,		
	2025	2024	2025
	NIS	NIS	US Dollars
Present value of funded liability	8,252	6,793	2,586
Fair value of unrecognized asset	-	51	-
Fair value of plan assets - accumulated deposit in executive insurance	(6,891)	(5,742)	(2,159)
Net liability deriving from defined benefit obligation	1,361	1,102	427

G. WILLI-FOOD INTERNATIONAL LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(NIS in thousands)
(Cont.)

Note 23 – Defined benefit scheme (continued)

Sensitivity analyzes principal actuarial assumptions:

The sensitivity analyzes below have been determined based on reasonably possible changes in actuarial assumptions at the end of the reporting period. Sensitivity analysis does not account for any existing interdependence between assumptions:

If the discount rate were increased / decreased by 0.5%, the defined benefit obligation would have decreased / increased by NIS 150 thousand (USD 47 thousand).

If the rate hikes expected salaries would have increased / decreased by 0.5%, the defined benefit obligation would have increased / decreased by NIS 200 thousand (USD 63 thousand).

If the resignation rate had increased / decreased by 5%, the defined benefit obligation would have increased / decreased by NIS 82 thousand (USD 26 thousand).

Short-term employee benefits:

Paid Annual Leave

In accordance with the Annual Leave Law, 1951, Company employees are entitled to several leave days per each working year. According to the above law (and addendums determined in personal contracts between the Company and several employees), the leave days due to an employee during the year is established based on the number of years of employment of that employee.

The employee may use leave days based on the employee's needs and with the Company's consent and to accumulate the remaining unused leave days based on the employee's personal employment contract. An employee who ceases employment before using the balance of leave days is entitled to payment for the above balance of leave days.

The balance of the Company's vacation provision is in accordance with the leave entitlement of each individual employee, according to his individual agreement with the company to which the employee belongs and in accordance with the employee's salary. The balance of the Company's vacation provision for December 31, 2025, as NIS 1,079 thousand (NIS 1,062 thousand, as of December 31, 2024).

Paid Sick Leave

In accordance with the Sick Pay Law, 1976, the Company's employees are entitled to 18 sick days per year (1.5 sick days per month). Sick days may be used only with medical confirmation of an employee's illness. Employees who cease employment before using the sick days due to the employee is not entitled to payment for the above balance of sick days and, therefore, such provision is not recorded in the Company's books.

G. WILLI-FOOD INTERNATIONAL LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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Note 24 – Share based payment

On July 2022, the Company granted to its employees 164,000 non-marketable options exercised to up to 164,000 ordinary shares of the Company. However, the actual number of shares allocated may be lower than stated, as the offerees will be entitled to exercise the option warrants via "cashless" method, meaning the allocation of shares in an amount reflecting the monetary benefit inherent in the offered option warrants. Each option will allow, upon exercise, to purchase one NIS 1 ordinary share at an exercise price of NIS 55.3, adjusted to dividend and subject to adjustments that will be required if rights or bonus shares are issued.

The fair value of all the options at the time of grant was approximately NIS 3 million. The fair value of the options was measured using the Black & Scholes model, using the following average indices: standard deviation in the range of approximately 39% to 44%, and the life of the option: 3 years for the first tranche, 4 years for the second tranche and 5 years for the 3rd tranche. The standard deviation was calculated based on the historical daily standard deviation of the company's stock traded on the Tel Aviv Stock Exchange. As of December 31, 2025, all options have expired and/or been exercised.

On May 2025, the Company granted to three senior managers, 75,000 non-marketable options exercised to up to 75,000 ordinary shares of the Company. However, the actual number of shares allocated may be lower than stated, as the offerees will be entitled to exercise the option warrants via "cashless" method, meaning the allocation of shares in an amount reflecting the monetary benefit inherent in the offered option warrants. Each option will allow, upon exercise, to purchase one NIS 1 ordinary share at an exercise price of NIS 53.51, adjusted to dividend and subject to adjustments that will be required if rights or bonus shares are issued.

The fair value of all the options at the time of grant was approximately NIS 1.2 million. The fair value of the options was measured using the Black & Scholes model, using the following average indices: standard deviation in the range of approximately 39% to 44%, and the life of the option: 3 years for the first tranche, 4 years for the second tranche and 5 years for the 3rd tranche. The standard deviation was calculated based on the historical daily standard deviation of the company's stock traded on the Tel Aviv Stock Exchange.

G. WILLI-FOOD INTERNATIONAL LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(NIS in thousands)
(Cont.)

Note 24 – Share based payment (continued)

On August 2025, the Company granted to each Mr. Joseph Williger CEO and Mr. Zwi Williger Chairman of the board 100,000 (200,000 total) non-marketable options exercised to up to 100,000 (200,000 total) ordinary shares of the Company, with the same terms granted to the senior managers as stated above.

The fair value of all the options at the time of grant was approximately NIS 3.2 million. The fair value of the options was measured using the Black & Scholes model, using the following average indices: standard deviation in the range of approximately 39% to 44%, and the life of the option: 3 years for the first tranche, 4 years for the second tranche and 5 years for the 3rd tranche The standard deviation was calculated based on the historical daily standard deviation of the company's stock traded on the Tel Aviv Stock Exchange.

24.1 - Nature and scope of share-based payment plans during the period

During the period that ended on December 31, 2025, the Company has two share-based payment plans, as described below:

	Stock options for senior management	Stock options for owners	Total options
Outstanding period	May 2025	May 2025	May 2025
Granted during the year	75,000	200,000	275,000
Estimated lifespan	2-5 years	2-5 years	2-5 years

	Stock options for senior management	Stock options for other employees	Total options
Outstanding period	July 2022	July 2022	July 2022
Granted during the year	75,000	89,000	164,000
Estimated lifespan	2-5 years	2-5 years	2-5 years

G. WILLI-FOOD INTERNATIONAL LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(NIS in thousands)
(Cont.)

Note 24 – Share based payment (continued)

24.2 - Details regarding the stock option plans

	2025		2024		2025
	Number	Weighted average Exercise price (NIS)	Number	Weighted average Exercise price (NIS)	Weighted average Exercise price (US Dollars)
Opening balance	103,676	49.16	141,500	49.88	16.77
Expired during the year	(2,792)	49.16	-	-	16.77
Exercised during the year	(100,884)	49.16	(37,824)	49.16	16.77
Granted during the year	275,000	53.51	-	-	16.77
Closing balance	275,000	53.51	103,676	49.16	16.77

The exercise price of the options outstanding as of December 31, 2025, is NIS 53.51 per option.

24.3 - Effect of share-based payment transactions on profit or loss for the period

	Year ended December 31,		
	2025	2024	2025
	NIS	NIS	US Dollars
Expense arising from plans to grant shares and stock options	1,639	473	514

G. WILLI-FOOD INTERNATIONAL LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(NIS in thousands)
(Cont.)

Note 25 – Contingent liabilities and commitments

- The Company has an obligation to pay incentives to several customers that are not subject to the Food Law, 5744-2014, which came into effect on January 15, 2015. Some of those incentives are payable as a rate of total annual sales to those customers, and some of those incentives are payable as a rate of acquisitions in excess of an agreed upon annual volume of activities. The incentives are calculated specifically for each customer. The incentives are calculated specifically for each customer as a reduction of the revenue.

- On February 27, 2025, a General Meeting of the Shareholders of the Company approved a new management services agreements pursuant to which Messrs. Yosef Williger and Zwi Williger are to serve as CEO of the company and chairmen of the Board of Directors, respectively.

The Company's shareholders also approved new terms of service for each of Mr. Zwi Williger and Mr. Joseph Williger, commencing as of January 1, 2025 as follows.

- (a) Monthly service fees of NIS 108,300 (USD 33.9 thousand) (excluding VAT).
- (b) Profit Related Bonus - an annual bonus determined according to measurable quantitative criteria:
 - Payment of the Measurable Bonus will be subject to achieving an average of the minimum profit before taxes of the Company before bonuses during the last three (3) years (i.e., the year in which the bonus is granted and the previous two (2) years) (the "Bonuses" and "Average Operating Profit Before Bonuses", respectively) of at least NIS 40 million (USD 12.5 million) (the "Minimum Average Operating Profit before Bonuses").
 - Subject to the Company's achieving or exceeding the Minimum Average Operating Profit before Bonuses, the Chairman/ CEO shall be entitled to receive a bonus in the following manners: (i) a Bonus of 2.5% of the Average Profit before taxes Before Bonuses for the amount exceeding above NIS 10 million (USD 3.1 million) and up to and including NIS 15 million (USD 4.7 million); (ii) a Bonus of 3% of the Average Profit before taxes Before Bonuses for the amount exceeding above NIS 15 million and up to and including NIS 25 million (USD 7.8 million); (iii) a Bonus of 4.15% of Average Profit before taxes Before Bonuses for the amount exceeding NIS 25 million and up to and including NIS 40 million (USD 12.5 million); (iv) a Bonus of 5% of the Average Profit before taxes Before Bonuses for the amount exceeding above NIS 40 million and up to and including NIS 55 million (USD 17.2 million); and (v) a Bonus of 5.5% of the Average Profit before taxes Before Bonuses for any amount exceeding above NIS 55 million.
 - The maximum annual Bonus to be paid to the Chairman / CEO will not exceed an amount of NIS 2.4 million (USD 752.4 thousand).
- (c) The Company will provide the Chairman/ CEO with use of a vehicle, the value of which shall not exceed NIS 400,000 (USD 125.4 thousand). The Company shall allow the Chairman/ CEO

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Note 25 – Contingent liabilities and commitments (continued)

to use a vehicle exceeding the value of NIS 400,000, upon the Chairman's/ CEO 's request provided that the Chairman/ CEO will reimburse the Company with any amount exceeding NIS 400,000. The Company will cover all the operating expenses of the Company car (excluding fines), including grossing up the related tax. The Company estimates the annual amount of the Company car benefits in the total amount of NIS 300,000.

- (d) Benefits in general, including the social benefits of the Chairman/ CEO and income tax payments, national insurance payments and other payments due to employees in respect of their employment, are to be paid for at the sole expense of the Chairman and CEO 's Management Company. The Chairman and CEO 's Management Company has undertaken to indemnify the Company with respect to any claims against the Company with respect to employer/employee relations.
- (e) The Chairman/ CEO will be included in the D&O insurance policy available to the Company and its subsidiaries under the same terms as other officers of the Company, and he will be entitled to an exemption and indemnification letter, which is identical to the form of exemption and indemnification that was approved by the General Meeting of Shareholders on July 20, 2005 for all directors and officers of the Company. It is hereby clarified, that the exemption does will not be valid regarding apply to any decision or transaction of the Company, in which a controlling shareholder or other officer of the Company, (including a different officer than the officer that has been granted the exemption letter) has a personal interest.
- On April 1, 1997, the parent Company, Willi-Food Investments Ltd., and the Company entered into an agreement for the provision of management, administration, bookkeeping, secretarial and controllership services. Pursuant to the said agreement, the parent company shall pay the Company a monthly amount for the said services and for external services that are provided at the same time to the parent Company and to the subsidiary by the same third party, such as legal services, auditing services, etc., but excluding unique and specific services that are provided to the parent Company or to the company, a monthly payment of NIS 10,000 plus VAT. The agreement was renewed on March 14, 2023.

On November 4, 2018, G. Willi-Food Ltd. filed a lawsuit in the amount of NIS 4,183,208 against the Company's former controlling shareholder, Gregory Gurtovoy ("Mr. Gurtovoy"), and against five former directors and senior officers of the Company – Israel Joseph Schneerson, Pavel Buber, Iram Ephraim Graiver, Ilan Menachem Admon and Zalman Vigler (together, the "Defendants"). According to the Company, the Defendants conspired to cause the use of millions of NIS of the Company funds as collaterals to loans extended to foreign private companies related to the Company's controlling shareholders on dates which are relevant to the lawsuit without obtaining the required approvals from the Company's directors and without issuing the required report to Company's shareholders.

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Note 25 – Contingent liabilities and commitments (continued)

As of the date of this report, the proceedings in this case have been concluded with respect to all of the Defendants except for Iram Graiver.

- On July 23, 2017, Mr. Iram Graiver, the Company's CEO and former executive ("Mr. Graiver"), filed a lawsuit with the Regional Labor Court in Tel Aviv-Jaffa ("the Court") for social benefits and various compensations totaling NIS 2,377,305. The Company submitted a statement of defense on November 26, 2017. On July 27, 2017, The Company filed a lawsuit against Mr. Graiver for the return of funds allegedly taken unlawfully, totaling NIS 1,694,325. According to the Company, Mr. Graiver acted in breach of his fiduciary duty and contrary to the mandatory provisions of the Companies Law, 1999, which require approval from the general shareholders' meeting (which was not obtained) for payments he took from the Company.
- On November 2, 2017, the Court decided to consolidate the two proceedings. On November 26, 2017, defense statements were submitted by Mr. Graiver and the Company. After several hearings, a judgment was issued on November 27, 2022, ordering the company to pay Mr. Graiver approximately NIS 255,000. Subsequently, both the company and Mr. Graiver filed appeal requests to the National Labor Court.
On September 24, 2024, a judgment was issued rejecting the company's appeal and partially accepting Mr. Graiver's appeal. It was determined that, in addition to funds already deposited with the Court, the company must pay Mr. Graiver an additional NIS 411,297 plus interest and linkage from March 2017. On October 20, 2024, a petition was filed with the High Court of Justice. The hearing on the petition was held on February 16, 2026. In a judgment dated February 17, 2026, the court ruled that Mr. Graiver is required to reimburse the Company 20% of the reasonable salary amount, as determined in the judgment of the National Labor Court.
- On June 24, 2020, a lawsuit and request for approval as a representative was submitted to the Central District Court against the company, Euro Dairy Europe Ltd. and another respondent. According to the applicant, the company marketed a number of products with misleading labeling and contrary to the provisions of the law and the relevant standards. On April 22, 2025, the court approved the certification of the class action lawsuit on the grounds of misrepresentation. In November 2025, a settlement agreement was submitted to the court for approval, pursuant to which G. Willi-Food will donate products with a total value of NIS 230,000 to various nonprofit organizations.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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Note 25 – Contingent liabilities and commitments (continued)

- A lawsuit and a motion to approve it as class action was filed on August 2, 2021, against the Company and another 5 respondents to the District Court. The applicant claimed that the Company marketed several products with misleading captions and contrary to the provisions of the law and the relevant regulations. The applicant claims that he and the members of the group suffered financial damages in amount of NIS 100 million and Non-financial damages in amount of NIS 378 million. On December 25, 2025, a withdrawal settlement was approved, pursuant to which the Company undertook to present tests of the products that are the subject of the claim, confirming that they are consistent with the manufacturer's declarations. The claim was dismissed.

- A lawsuit and a motion to approve it as class action was filed on November 8, 2021, against the Company to the District Court. The applicant claimed that the Company marketed a product with misleading captions and contrary to the provisions of the law and the relevant regulations. The applicant claims that he and the members of the group suffered damages in amount of NIS 57 million. A response was submitted on February 9, 2022. On November 14, 2022, a pre-trial hearing was held, at the end of which it was decided that the parties must reach agreements by December 15, 2022. On January 24, 2023, an agreed notification was submitted according to which the parties were unable to reach an agreement. On September 14, 2023 another pre-trial hearing was held. Summaries on behalf of the applicant were submitted on December 27, 2023. Response summaries have been submitted, awaiting a decision on the approval request. On December 3, 2024 the District Court approved the lawsuit as class action. The District Court ruled in its decision that at the certification request stage, there is no need to determine the extent of damages, and that this issue should be clarified in the second phase of managing the claim. The District Court determined that there are grounds to examine the petitioner's claim that he and the group members suffered damages in the amount of the difference between the price paid and the price they would have paid for purchasing another comparable product. According to the petitioner, the product's price was higher than that of another comparable product, while the Company argues that the product subject to the claim was sold at lower prices than competing products and therefore no damage was caused. The District Court also ruled that there are grounds to examine the question of non-monetary damages caused by the inability to compare between the product subject to the claim and competing products. The Company maintains its argument that this was a good faith mistake and that no damage was caused to the consumer, and in the proceedings, it will prove that the product was imported in relatively small quantities during a limited period only. The case was scheduled for the submission of affidavits of primary testimony, followed by a pre-trial hearing, on July 15, 2026.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(NIS in thousands)
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Note 25 – Contingent liabilities and commitments (continued)

- On February 20, 2023, the Euro European Dairies (the Company) received, from the Ashdod Customs House, a notice of a charge for a deficit of NIS 1.75 million, which includes interest and fine. In the letter of demand, it is claimed that the company imported soft cheeses in a saltwater solution and paid duty only for the weight of the cheese without the weight of the saltwater solution. According to the customs house, customs must also be paid for the saltwater solution. After the customs house rejected the appeal that the company filed on the debit notices, The company paid the debt in the debit notices and submitted a lawsuit to the Magistrate's Court in Petah Tikva to cancel the notices and to recover the amounts paid by it plus interest and linkage.

The first pretrial hearing was scheduled for May 15, 2024. During the hearing, the court pointed out difficulties in the positions of each of the parties and proposed referring the case to mediation. Euro Dairies Europe agreed to the proposal, however, the Customs Authority rejected it. On March 24, 2025, an additional hearing was held, during which the court approved the request for expert testimony and again recommended referring the matter to mediation. On April 8, the Customs Authority announced that it refuses to engage in mediation. An evidentiary hearing in the case was held on November 23, 2025. At the conclusion of the hearing, the defendant announced that it does not accept the court's recommendation to refer the matter to mediation. Accordingly, the court set a hearing for an attempt to resolve the dispute on May 10, 2026. At this preliminary stage, it is difficult to assess the prospects of the application and the claim.

- On February 11, 2026, a claim and a motion for its approval as a class action were filed with the Central District Court against G. Willi-Food. According to the allegations set forth in the motion for approval, G. Willi-Food marketed a product bearing misleading labeling, contrary to the provisions of the law and the relevant standards. As alleged in the motion for approval, the amount of the individual claim is NIS 2,580, while the total amount of the claim was estimated, at this stage, at more than NIS 2.5 million, in respect of the aggregate damage allegedly caused to the members of the represented class. At this preliminary stage, it is not possible to assess the likelihood of the motion being approved or the extent of the exposure arising therefrom.

G. WILLI-FOOD INTERNATIONAL LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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(Cont.)

Note 26 – Events during and after the reporting period

- On March 21, 2024, the Company's Board of Directors announced a dividend distribution in the amount of NIS 10 million (a total of NIS 0.72 per share).
- On March 11, 2025, the Company's Board of Directors announced a dividend distribution in the amount of NIS 30 million (a total of NIS 2.16 per share).
- On August 12, 2025, the Company's Board of Directors announced a dividend distribution in the amount of NIS 20 million (a total of NIS 1.44 per share).
- On February 14, 2024, the Company received a notification letter from the Competition Authority, according to which the authority is considering filing an indictment against the Company, subject to a hearing, on the grounds of the suspicions listed in the "Letter of Suspicions". In addition, A similar message was further delivered to the chairman of the board of directors of the Company, Mr. Zvi Williger, one of the controlling owners of the Company. On April 17, 2024, a hearing was held regarding the aforementioned matter, in which the company and Mr. Williger presented their arguments before the Competition Authority.
- On July 17, 2024, the Company reached an agreement with the Competition Authority regarding the payment of financial sanctions totaling approximately 11.6 million NIS for alleged violations of the Food Industry Competition Promotion Law of 2014, without admission of violation. The aforementioned arrangement was approved by the Company's board of directors. The Company included the expenses related to this agreement in its financial statements under other expenses.
- On July 21, 2024, following an agreement with the Competition Authority, a request for document disclosure was filed pursuant to Section 198a of the Companies Law, 5759-1999, in the Tel Aviv-Jaffa District Court against the Company to examine the possibility of filing a derivative claim for alleged violations of the Food Industry Competition Promotion Law, 5774-2014. As part of the request, the court was asked to order the Company to provide various documents related to these events to the petitioner. On December 24, 2024, the Company filed a response to the request. On February 18, 2025, the parties filed a mutual withdrawal request. The court approved the withdrawal request on the same day.

G. WILLI-FOOD INTERNATIONAL LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(NIS in thousands)
(Cont.)

Note 26 – Events during and after the reporting period (continued)

- On November 19, 2025, the Company received a notice from the Competition Authority regarding the closure of the investigation file against the Company. In addition, a notice in identical wording regarding the closure of the investigation file against him was also delivered to Mr. Zvi Williger, one of the Company's controlling shareholders, who serves as Chairman of the Board of Directors of the Company.
- On July 2022, the Company granted its employees 164,000 options (not listed for trading) free of charge. Each option is exercisable into one ordinary share of the Company at an exercise price of NIS 55.3 (not linked), subject to customary adjustments, inter alia, in respect of dividend distributions, bonus share distributions, and rights offerings. The options are exercisable in three annual tranches, with the first tranche becoming exercisable 12 months from the grant date. The exercise period for each tranche shall be up to two (2) years from the date such tranche vests.
- The fair value of the options on the grant date was approximately NIS 3 million. The fair value of the options was measured using the Black & Scholes model, based on the following average assumptions: volatility in the range of approximately 39% to 44%, and option life of 3 years for the first tranche, 4 years for the second tranche, and 5 years for the third tranche. The volatility was calculated based on the historical daily volatility of the Company's share price as traded on the Tel Aviv Stock Exchange.
- On May 18, 2025, the Company granted three senior executives an aggregate of 75,000 options (not listed for trading) free of charge. Each option is exercisable into one ordinary share of G. Willi-Food at an exercise price of NIS 54.95 (not linked), subject to customary adjustments, inter alia, in respect of dividend distributions, bonus share distributions, and rights offerings. The options are exercisable in three annual tranches, with the first tranche becoming exercisable 12 months from the grant date. The exercise period for each tranche shall be up to two (2) years from the date such tranche vests. The fair value of these options on the grant date was approximately NIS 1.2 million. The fair value of the options was measured using the Black & Scholes model, based on the following average assumptions: volatility in the range of approximately 39% to 44%, and option life of 3 years for the first tranche, 4 years for the second tranche, and 5 years for the third tranche. The volatility was calculated based on the historical daily volatility of the Company's share price as traded on the Tel Aviv Stock Exchange.

On August 7, 2025, the general meeting of the Company approved the grant of 100,000 options free of charge to each of Mr. Yosef Williger, Director and CEO of the subsidiary, and Mr. Zvi Williger, Chairman of the Board of Directors of the Company (200,000 options in total). The terms of these options are identical to the terms of the options granted to the senior

G. WILLI-FOOD INTERNATIONAL LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(NIS in thousands)
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Note 26 – Events during and after the reporting period (continued)

executives as described above. The fair value of the options on the grant date was approximately NIS 3.2 million.

The actual number of shares to be issued upon exercise of the options may differ from the foregoing, since the offerees may elect to exercise all or part of their options on a cashless basis, in which case not all of the shares underlying the options will be issued, but rather a number of shares reflecting the monetary benefit inherent in the options exercised.

In October 2023, Hamas terrorists infiltrated Israel's southern border from the Gaza Strip and conducted a series of attacks on civilian and military targets. Following the attack, Israel's security cabinet declared war against Hamas, and later against Hezbollah in Lebanon. Hostilities subsequently escalated between Israel and a number of its other neighbors, including conflicts with Hezbollah along Israel's northern border with Lebanon, with Iran (including a war during June 2025) and with the Houthi movement in Yemen, which both launched drone and missile attacks on military and civilian targets within Israel. In addition, the Houthi movement disrupted international commerce by launching a number of attacks on commercial vessels traversing the Gulf of Aden and the Red Sea. While a ceasefire between Israel and Lebanon (with respect to Hezbollah) was announced in November 2024, a ceasefire between Israel and Iran was announced in June 2025 and the latest ceasefire between Israel and Hamas was announced in October 2025, in February 2026, hostilities between Israel and Iran escalated again. In late February 2026, the United States, together with Israel, launched a major joint military campaign of air and missile strikes against targets in Iran, which triggered a broad Iranian response and contributed to significant regional instability, including, in early March 2026, resumed conflicts with Hezbollah. The security situation in the region remains highly fluid, and we are unable to predict if, when, or on what terms, this escalation will be resolved.

The military operation against Iran has immediate implications for the Israeli economy, including, *inter alia*, the declaration of a state of emergency, the issuance of emergency orders and restrictions on economic activity, the shutdown of educational institutions and workplaces, a reduction in activity across various sectors, and the mobilization of reserve forces on a broad scale. These measures may give rise to operational disruptions, delays in timelines, and increased costs and reduced availability of products imported by us, as well as elevated personnel costs.

As a result of repeated attacks by Houthi forces on vessels operating in the Red Sea, shipping times from the Far East have been extended by three to four weeks. Approximately 35% of our imported products originate in the Far East. We estimate that a material increase in maritime shipping costs

G. WILLI-FOOD INTERNATIONAL LTD.
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(NIS in thousands)
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Note 26 – Events during and after the reporting period (continued)

could adversely affect our results of operations. Furthermore, as a result of Iran's blockade of the Strait of Hormuz, energy prices – and oil prices in particular – have risen. These developments may adversely affect shipping costs and give rise to potential supply chain delays, which could impact, *inter alia*, the availability and cost of the Company's imported products. Further, as an Israeli company, there is heightened risk of cyberattacks on our and our supply chain's IT networks by our adversaries in general, and more so as a result of a war.

Several countries, principally in the Middle East, restrict doing business with Israel and Israeli companies, and additional countries may impose restrictions on doing business with Israel and Israeli companies if hostilities in the region continue. Moreover, the perception of Israel and Israeli companies by the global community (as represented, for example, by claims filed with the International Court of Justice (the "ICJ")) may cause an increase in sanctions and other adverse measures against Israel, Israeli companies and their products and services. Additionally, there have been increased efforts by countries, activists and organizations to cause companies and consumers to restrict business with Israel and with Israeli companies, which may impact our ability to do business. Such efforts, particularly if they become widespread, as well as current and future rulings and orders of international tribunals including the ICJ against Israel, could materially and adversely impact our business operations.

Any hostilities involving Israel or the interruption or curtailment of trade between Israel and its present trading partners, or significant downturns in the economic or financial condition of Israel, could adversely affect our operations and product development, cause our revenues to decrease and adversely affect the share price of publicly traded companies having operations in Israel, such as us. Our commercial insurance does not cover losses that may occur as a result of an event associated with the security situation in the Middle East. Although the Israeli government is currently committed to covering the reinstatement value of direct damages that are caused by terrorist attacks or acts of war, there can be no assurance that this government coverage will be maintained, or if maintained, will be sufficient to compensate us fully for damages incurred. Any losses or damages incurred by us could have a material adverse effect on our business, financial condition and results of operations.

G. WILLI-FOOD INTERNATIONAL LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(NIS in thousands)
(Cont.)

Note 27 – Accounting policies

Revenue

Performance obligations and timing of revenue recognition:

The majority of the Company's revenue is derived from selling goods in the Israeli market with revenue recognized at a point in time when control of the goods has transferred to the customer. This is generally when the goods are delivered to the customer. However, for export sales, control might also be transferred when delivered either to the port of departure or port of arrival, depending on the specific terms of the contract with a customer. There is limited judgement needed in identifying the point control passes: once physical delivery of the products to the agreed location has occurred, the group no longer has physical possession, usually will have a present right to payment (as a single payment on delivery) and retains none of the significant risks and rewards of the goods in question.

Determining the transaction price:

Most of the Company's revenue is derived from fixed price contracts, therefore the amount of revenue to be earned from each contract is determined by reference to those fixed prices agreed with the customers. Customers have the right to return products they purchase from the company in some transactions. Whenever a transaction includes the possibility of a return, the company recognizes revenue according to the consideration it expects to receive for products not expected to be returned, and on the other hand, it recognizes the obligation to refund.

Historical experience enables the Company to estimate reliably the value of good that will be returned and restrict the amount of revenue that is recognized such that it is highly probable that there will not be a reversal of previously recognized revenue when goods are return.

Allocating amounts to performance obligations:

For most contracts, there is a fixed unit price for each product sold, with reductions given for bulk orders placed at a specific time. Therefore, there is no judgement involved in allocating the contract price to each unit ordered in such contracts (it is the total contract price divided by the number of units ordered). Where a customer orders more than one product line, the Company is able to determine the split of the total contract price between each product line by reference to each product's standalone selling prices (all product lines are capable of being, and are, sold separately).

G. WILLI-FOOD INTERNATIONAL LTD.
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(NIS in thousands)
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Note 27 – Accounting policies (continued)

Inventories

Inventories are initially recognized at cost, and subsequently at the lower of cost and net realizable value. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Weighted average cost is used to determine the cost of the inventories.

The Company continuously reviews its inventory levels to identify slow-moving merchandise and markdowns necessary to clear slow-moving merchandise, which reduces the cost of inventories to its estimated net realizable value. Consideration is given to a number of quantitative and qualitative factors, including current pricing levels and the anticipated need for subsequent markdowns, aging of inventories, historical sales trends, and the impact of market trends and economic conditions. Estimates of markdown requirements may differ from actual results due to changes in quantity, quality and mix of products in inventory, as well as changes in consumer preferences, market and economic conditions. The Company's historical estimates of these costs and its markdown provisions have not differed materially from actual results.

Basis of consolidation

Where the Company has control over an investee, it is classified as a subsidiary. The Company controls an investee if all three of the following elements are present: power over the investee, exposure to variable returns from the investee, and the ability of the investor to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

The consolidated financial statements present the results of the Company and its subsidiaries as if they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

Cash and Cash equivalents

Cash and cash equivalents include demand deposits and term deposits in banks that are not restricted as to usage, with an original period to maturity of not more than three months.

Deposits that are restricted as to usage are classified as pledged deposits.

Deposits with an original period to maturity exceeding three months, which as of the statement of financial position do not exceed one year, are classified as short-term investments

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(Cont.)

Note 27 – Accounting policies (continued)

Leases

The majority of the Company's accounting policies for leases are set out in note 19.

Identifying leases

The Company accounts for a contract as a lease when it conveys the right to use an asset for a period of time in exchange for consideration. Leases are those contracts that satisfy the following criteria:

- There is an identified asset;
- The Company obtains substantially all the economic benefits from use of the asset; and
- The company has the right to direct use of the asset

The Company considers whether the lessor has substantive substitution rights. If the supplier does have those rights, the contract is not identified as giving rise to a lease.

In determining whether the Company obtains substantially all the economic benefits from use of the asset, the Company considers only the economic benefits that arise from the use of the asset, not those incidental to legal ownership or other potential benefits.

In determining whether the Company has the right to direct use of the asset, the Company considers whether it directs how and for what purpose the asset is used throughout the period of use. If there are no significant decisions to be made because they are pre-determined due to the nature of the asset, the Company considers whether it was involved in the design of the asset in a way that predetermines how and for what purpose the asset will be used throughout the period of use. If the contract or portion of a contract does not satisfy these criteria, the Company applies other applicable IFRSs rather than IFRS 16.

Property, plant and equipment

Property, plant and equipment are tangible items, which are held for use in the manufacture or supply of goods or services, or leased to others, which are predicted to be used for more than one period. The Company presents its property, plant and equipment items according to the cost model. Under the cost method - a property, plant and equipment are presented at the balance sheet at cost (net of any investment grants), less any accumulated depreciation and any accumulated impairment losses. The cost includes the cost of the assets acquisition as well as costs that can be directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is calculated using the straight-line method at rates considered adequate to depreciate the assets over their estimated useful lives. Amortization of leasehold improvements is computed over the shorter of the term of the lease, including any extension period, where the Company intends to exercise such option, or their useful life.

G. WILLI-FOOD INTERNATIONAL LTD.
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(Cont.)

Note 27 – Accounting policies (continued)

	<u>Useful life (Years)</u>	<u>%</u>	
Building	50	2	
Construction	25	4	
Motor vehicles	5	15-20	(Mainly 20%)
Office furniture and equipment	6	6-15	(Mainly 15%)
Computers	3	20-33	(Mainly 33%)
Machinery and equipment	10	10	

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the Income statement.

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation.

Where a provision is measured using the cash flows estimated to settle the present obligation, it carrying amount is the present value of those cash flows.

When some or all of the economic benefits to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Share-based payments

Where equity settled share options are awarded to employees, the fair value of the options at the date of grant is charged to the consolidated statement of comprehensive income over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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(Cont.)

Note 27 – Accounting policies (continued)

Deferred taxes

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability in the consolidated statement of financial position differs from its tax base.

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilized.

The amount of the asset or liability is determined using tax rates that have been enacted or substantively enacted by the reporting date and are expected to apply when the deferred tax liabilities/(assets) are settled/(recovered).

Defined benefit schemes

Defined benefit scheme surpluses and deficits are measured at:

- The fair value of plan assets at the reporting date; less
- Plan liabilities calculated using the projected unit credit method discounted to its present value using yields available on high quality corporate bonds that have maturity dates approximating to the terms of the liabilities and are denominated in the same currency as the post-employment benefit obligations; less
- The effect of minimum funding requirements agreed with scheme trustees.

Remeasurements of the net defined obligation are recognized directly within equity. The remeasurements include:

- Actuarial gains and losses.
- Return on plan assets (interest exclusive).
- Any asset ceiling effects.

Service costs are recognized in profit or loss, and include current and past service costs as well as gains and losses on curtailments.

Net interest expense (income) is recognized in profit or loss, and is calculated by applying the discount rate used to measure the defined benefit obligation (asset) at the beginning of the annual period to the balance of the net defined benefit obligation (asset), considering the effects of contributions and benefit payments during the period. Gains or losses arising from changes to scheme benefits or scheme curtailment are recognized immediately in profit or loss.

Settlements of defined benefit schemes are recognized in the period in which the settlement occurs.

G. WILLI-FOOD INTERNATIONAL LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(NIS in thousands)
(Cont.)

Note 27 – Accounting policies (continued)

Share capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset.

The Company's ordinary shares are classified as equity instruments.

there are separately identifiable cash flows; its cash generating units ('CGUs'). Goodwill is allocated on initial recognition to each of the Company's CGUs that are expected to benefit from a business combination that gives rise to the goodwill.

Impairment charges are included in profit or loss, except to the extent they reverse gains previously recognized in other comprehensive income. An impairment loss recognized for goodwill is not reversed.

Financial assets and liabilities

The Company classifies its financial assets and liabilities into one of the categories discussed below, the Company's accounting policy for each category is as follows:

- Fair value through profit or loss

Financial assets and liabilities at fair value through profit or loss are measured at fair value at the end of each reporting period. They are carried in the statement of financial position at fair value with changes in fair value recognized in the consolidated statement of income in the finance income or expense line.

Amortized cost

The Company's financial assets (liabilities) measured at amortized cost comprise trade and other receivables, loans to others, cash and cash equivalents and trade payables in the consolidated statement of financial position.

Impairment provisions for trade receivables are recognized based on the simplified approach within IFRS 9 using a provision matrix in the determination of the lifetime expected credit losses. During this process the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables.

Exhibit 11.1

G. WILLI-FOOD INTERNATIONAL LTD

Statement of Policy Concerning Trading Policies

I. SUMMARY OF THE COMPANY POLICY CONCERNING TRADING POLICIES

It is G. Willi-Food International Ltd.'s and its subsidiaries' (collectively, the "**Company**") policy that it will, without exception, comply with all applicable laws and regulations in conducting its business. Each director, executive officer or other employee and independent contractor of the Company is expected to abide by this policy. When carrying out Company business, employees and directors must avoid any activity that violates applicable laws or regulations. In order to avoid even an appearance of impropriety, the Company's directors, executive officers and certain other employees are subject to pre-approval requirements described below and other limitations on their ability to enter into transactions involving the Company's securities. Although these limitations do not apply to transactions pursuant to written plans for trading securities that comply with Rule 10b5-1 under the Securities Exchange Act of 1934 (the "**Exchange Act**"), the entry into, amendment or termination of any such written trading plan is subject to pre-approval requirements and other limitations.

II. THE USE OF INSIDE INFORMATION IN CONNECTION WITH TRADING IN SECURITIES

A. General Rule.

The U.S. securities laws regulate the sale and purchase of securities in the interest of protecting the investing public. U.S. securities laws give the Company, its officers and directors, and other employees the responsibility to ensure that information about the Company is not used unlawfully in the purchase and sale of securities (such as stocks, bonds, notes, debentures, limited partnership units or other equity or debt securities).

All employees and directors should pay particularly close attention to the laws against trading on "inside" (i.e., non-public) information. These laws are based upon the belief that all persons trading in a company's securities should have equal access to all "material" information about that company. For example, if an employee or a director of a company knows material inside (i.e., non-public) financial information, that employee or director is prohibited from buying or selling shares in the company until the information has been adequately disclosed to the public. This is because the employee or director knows information that could cause the share price to change, and it would be unfair for the employee or director to have an advantage (knowledge that the share price could change) that the rest of the investing public does not have. In fact, it is more than unfair; it is considered to be fraudulent and illegal. Civil and criminal penalties for this kind of activity are severe.

The general rule can be stated as follows: It is a violation of U.S. federal securities and Israeli securities laws for any person to buy or sell securities if he or she is in possession of material inside information. Information is material if there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision. Material information can be favorable or unfavorable. If it is not clear whether inside information is material, it should be treated as if it was material. Some examples of information that could be considered material include:

- Significant changes in key performance indicators of the Company,
- Actual, anticipated or targeted earnings and dividends and other financial information,
- New financial, sales and other significant internal business forecasts, or a change in previously released estimates,

- Mergers, business acquisitions or dispositions, or the expansion or curtailment of operations (e.g., entering a new line of business or exiting an existing one),
- Significant cybersecurity or other data protection events affecting the Company's operations, including any breach of information systems that compromises the functioning of the Company's information or other systems or results in the exposure or loss of customer information, in particular personal information,
- Significant new customer contracts or amendments to or terminations of significant existing customer contracts,
- The grant or denial of a significant pending patent application or submission of a new, significant patent application,
- The development and commercialization of a significant new product,
- New equity or debt offerings or significant borrowing,
- Changes in debt ratings, or analyst upgrades or downgrades of the issuer or one of its securities,
- Significant changes in accounting treatment, write-offs or effective tax rate,
- Significant litigation or governmental investigation or the resolution thereof,
- Liquidity problems or impending bankruptcy,
- Changes in auditors or receipt of an auditor notification that the Company may not longer rely on an audit report,
- Changes in control of the Company or changes in the composition of the Board or top management,
- Stock splits or other significant corporate actions, and
- Other significant events affecting the Company's operations.

It is inside information if it has not been publicly disclosed in a manner making it available to investors generally on a broad-based non-exclusionary basis (e.g., the filing of a 6-K or 8-K). If it is not clear whether material information has been sufficiently publicized, it should be treated as if it is inside information. Furthermore, it is illegal for any director, executive officer or any other employee or independent contractor in possession of material inside information to provide other people with such information or to recommend that they buy or sell the securities (this is called "tipping"). In that case, they may both be held liable.

The U.S. Securities and Exchange Commission (the "**SEC**"), prosecutors, the stock exchanges and plaintiffs' lawyers focus on uncovering insider trading. A breach of the insider trading laws could expose the insider or anyone who trades on information provided by an insider to criminal fines up to three times the profits earned and imprisonment up to ten years, in addition to civil penalties (up to three times of the profits earned), and injunctive actions. In addition, punitive damages may be imposed under applicable U.S. state laws. Securities laws may also subject controlling persons to civil penalties for illegal insider trading by employees, including employees located outside the United States. Controlling persons include directors, executive officers and supervisors. These persons may be subject to fines up to the greater of \$1,000,000- or three-times profit (or loss avoided) of the insider trader.

Inside information does not belong to the individual directors, executive officers or other employees or independent contractors who may handle it or otherwise become knowledgeable about it. It is an asset of the Company. For any person to use such information for personal benefit or to disclose it to others outside the Company violates the Company's interests. More particularly, in connection with trading in the Company's securities, it is a fraud against members of the investing public and against the Company. The mere perception that a director, executive officer or any other employee or independent contractor traded with the knowledge of material inside information could harm the reputation of both the Company and that director, executive officer, employee or independent contractor.

B. *Who Does the Policy Apply To?*¹

The prohibition against trading on inside information applies to the Company (for example, repurchases of the Company's securities) and all directors, executive officers and all other employees and independent contractors of the Company and its subsidiaries, and to other people who gain access to that information. The prohibition also applies to any "**Immediate Family Members**" of such directors, executive officers or other employees and independent contractors, which means (i) a child, stepchild, parent, stepparent, grandparent, grandchild, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, grandparent or grandchild of your spouse or any person sharing the household (other than a tenant or employee), and (ii) anyone to whom such directors, executive officers or other employees and independent contractors provide significant financial support.

Further, the prohibition applies to: 1) any account over which employees, directors and the persons listed in i) and ii) above have or share the power, directly or indirectly, to make investment decisions (whether or not such persons have a financial interest in the account) and 2) those accounts established or maintained by such persons with their consent or knowledge and in which such persons have a direct or indirect financial interest.

Because of their access to confidential or otherwise material non-public information on a regular basis, Company policy subjects its directors, executive officers and certain other employees (the "**Pre-Clearance Group**") to additional restrictions on trading in Company securities. The restrictions for the Pre-Clearance Group are discussed in Section F below. In addition, directors, executive officers and certain other employees and independent contractors with inside knowledge of material information may be subject to ad hoc restrictions on trading from time to time.

The same restrictions that apply to any person under this policy apply to the Immediate Family Members of such person. All persons subject to this policy are responsible for assuring that their Immediate Family Members comply with the foregoing restrictions on trading.

C. *Other Companies' Stock.*

The Company may engage in business transactions with companies whose securities are publicly traded. These transactions may include, among other things, joint ventures, development agreements, mergers, acquisitions, divestitures or renewal or termination of significant contracts or other arrangements. Employees and directors who learn material information about such companies, which may include suppliers, customers, joint venture partners or competitors, through their work at the Company, should keep it confidential and must not buy or sell stock or other securities in such companies, and must not communicate the information to any other person, until the information becomes public. Directors, executive officers or other employees and independent contractors should not give tips about such securities to others.

¹ Note that the policy extends to family of directors and employees.

For example, it would be a violation of this policy and may be a violation of the securities laws if an employee or director learned from an employee of a customer (a public company) that the customer had secured a significant purchaser for one of its highly anticipated development stage products, which had not yet been publicly announced, and then placed an order to buy or sell stock in the customer because of the increase in the value of its securities. Such a trade would be a violation of this policy and may be a violation of the insider trading laws, even if the customer's stock does not increase or declines in value. The U.S. securities laws prohibit the act of trading on material non-public information, irrespective of whether such trades are profitable.

D. *Hedging and Derivatives.*

Directors, executive officers and all other employees and independent contractors are prohibited from engaging in any derivative transactions (including transactions involving puts, calls, prepaid variable forward contracts, equity swaps, collars and exchange funds or other derivatives) that are designed to hedge or speculate on any change in the market value of the Company's equity securities. As discussed below, directors, executive officers and all other employees and independent contractors are also prohibited from shorting the Company's shares.

Trading in options or other derivatives is generally highly speculative and very risky. People who buy options are betting that the stock price will move rapidly or substantially. For that reason, when a person trades in options in his or her employer's stock, it will arouse suspicion in the eyes of the SEC that the person was trading on the basis of inside information, particularly where the trading occurs before a company announcement or major event. It is difficult for a director, executive officer or other employee or independent contractor to prove that he or she did not know about the announcement or event.

If the SEC or the stock exchanges were to notice active options trading by one or more directors, executive officers or other employees or independent contractors of the Company prior to an announcement, they would investigate. Such an investigation could be embarrassing to the Company (as well as expensive) and could result in severe penalties and expense for the persons involved. For all of these reasons, the Company prohibits its directors, executive officers and all other employees and independent contractors from trading in options or other securities involving the Company's shares. This prohibition does not pertain to employee share options granted by the Company. Employee share options cannot be traded.

E. General Guidelines.

The following guidelines should be followed in order to ensure compliance with applicable antifraud laws and with the Company's policies:

1. Nondisclosure. Material inside information must not be disclosed to anyone, except to persons within the Company whose positions require them to know it. No director, executive officer or any other employee or independent contractor should discuss material inside information in public places or in common areas on Company property.

2. Trading in Company Securities. Employees and independent contractors, other than any person in the Pre-Clearance Group, may trade in Company securities during the period starting from the start of the first trading day following an earnings release with respect to the preceding fiscal period until (i) 21 calendar days after the immediately following March 31, June 30 and September 30 and (ii) 30 calendar days after each December 31, as the case may be (the "**Window**"), subject to the restrictions below. No director, executive officer or any other employee or independent contractor may place a purchase or sale order or recommend that another person place a purchase or sale order in the Company's securities, when he or she has knowledge of material information concerning the Company that has not been disclosed to the public. This includes orders for purchases and sales of shares, convertible securities and other securities (e.g., bonds) and includes increasing or decreasing investment in Company securities through a retirement account. The exercise of employee share options is not subject to this policy. However, shares that were acquired upon exercise of a share option will be treated like any other ordinary shares and may not be sold by an employee who is in possession of material inside information. Any director, executive officer or any other employee or independent contractor who possesses material inside information should wait until the start of the second business day after the information has been publicly released before trading. There is no exception to this policy, even for hardship to the director, executive officer or other employee or independent contractor based on the use of proceeds (such as making a mortgage payment or for an emergency expenditure).

3. Avoid Speculation. Investing in the Company's shares or other securities provides an opportunity to share in the future growth of the Company. But investment in the Company and sharing in the growth of the Company does not mean short range speculation based on fluctuations in the market. Such activities put the personal gain of the director, executive officer or other employee or independent contractor in conflict with the best interests of the Company and its shareholders. Although this policy does not mean that directors, executive officers or other employees or independent contractors may never sell shares, the Company encourages directors, executive officers or other employees and independent contractors to avoid frequent trading in Company shares. Speculating in the Company's shares is not part of the Company culture.

4. Trading in Other Securities. No director, executive officer or any other employee or independent contractor should place a purchase or sale order (including investment through a retirement account), or recommend that another person place a purchase or sale order, in the securities of another corporation, if the director, executive officer or other employee learns in the course of his or her employment confidential information about the other corporation that is likely to affect the value of those securities.

5. Trading Outside of the Window: No trading is permitted outside the Window by any director, executive officer or other employee or independent contractor except for reasons of exceptional personal hardship and subject to prior approval by the Chief Executive Officer; provided that, if the Chief Executive Officer wishes to trade outside the Window, it shall be subject to prior approval by the Chief Financial Officer, on advice of counsel.

6. Restrictions on the Pre-Clearance Group. The Pre-Clearance Group consists of (i) directors and executive officers of the Company and their assistants and Immediate Family Members, and (ii) such other persons as may be designated from time to time and informed of such status by the Company's Chief Executive Officer or his/her designees (or by the Chairman of the Board in the case of trades by the Chief Executive Officer). The Pre-Clearance Group is subject to the following restrictions on trading in Company securities in addition to those set forth above:

trading is permitted during the Window, subject to the restrictions below;

- all trades are subject to prior review by the Company's Chief Executive Officer;
- clearance for all trades must be obtained from the Company's Chief Executive Officer; and
- individuals in the Pre-Clearance Group are also subject to the general restrictions on all employees.

To request clearance to trade the Company's securities during a Window period, the Pre-Clearance Group member shall email the Chief Executive Officer (or his/her designee) stating that such person wishes to trade in the Company's securities and certifying that such person is not in possession of material non-public information concerning the Company. If the person requesting clearance for a trade is a director or executive officer, such person shall also describe the proposed terms of the transaction(s) in the email to the Chief Executive Officer. If granted, the clearance shall be valid for the remainder of the calendar week in which it was granted, unless (i) otherwise stated, (ii) earlier revoked or terminated at the discretion of the Chief Executive Officer, or (iii) if the applicable Window period ends prior to end of the applicable calendar week

Note that at times the Company's Chief Executive Officer may determine that no trades may occur even during the Window when clearance is requested. This may occur as a result of a pending business transaction, a cyber-breach, or any material development that has not yet been publicly disclosed. No reasons may be provided and the closing of the Window may itself constitute material inside information that should not be communicated to anyone else inside or outside the Company.

The foregoing Pre-Clearance Group restrictions do not apply to transactions pursuant to written plans for trading securities that comply with Rule 10b5-1 under the Exchange Act ("**10b5-1 Plans**"). However, Pre-Clearance Group members may not enter into, amend or terminate a 10b5-1 Plan relating to Company securities without the prior approval of the Company's Chief Executive Officer, which will only be given during a Window period and only if the Pre-Clearance Group member does not have knowledge of material nonpublic information.

F. Applicability of U.S. Securities Laws to International Transactions.

All directors, officers and employees of the Company and its subsidiaries are subject to the restrictions on trading in Company securities and the securities of other companies. The U.S. securities laws may be applicable to trades in the Company's securities executed outside the U.S., as well as to the securities of the Company's subsidiaries or affiliates, even if they are located outside the United States. Transactions involving securities of subsidiaries or affiliates should be carefully reviewed by counsel for compliance not only with local law but also for possible application of U.S. securities laws.

III. OTHER LIMITATIONS ON SECURITIES TRANSACTIONS

A. Public Resales – Rule 144.

The U.S. Securities Act of 1933, as amended (the "**Securities Act**") requires every person who offers or sells a security to register such transaction with the SEC unless an exemption from registration is available. Rule 144 under the Securities Act is the exemption typically relied upon for (i) public resales by any person of "restricted securities" (i.e., unregistered securities acquired in a private offering or sale) and (ii) public resales by directors, executive officers and other control persons of a company (known as "affiliates") of any of the Company's securities, whether restricted or unrestricted.

The exemption in Rule 144 may only be relied upon if certain conditions are met. These conditions vary based upon whether the Company has been subject to the SEC's reporting requirements for 90 days (and is therefore a "reporting company" for purposes of the rule) and whether the person seeking to sell the securities is an affiliate or not. Application of the rule is complex and Company employees and directors should not make a sale of Company securities in reliance on Rule 144 without obtaining the approval of the Company's Chief Executive Officer or, who may require the employee or director to obtain an outside legal opinion satisfactory to the Chief Executive Officer concluding that the proposed sale qualifies for the Rule 144 exemption.

1. Holding Period. Restricted securities issued by a reporting company (i.e., a company that has been subject to the SEC's reporting requirements for at least 90 days) must be held and fully paid for a period of six months prior to their sale. Restricted securities issued by a non-reporting company are subject to a one-year holding period. The holding period requirement does not apply to securities held by affiliates that were acquired either in the open market or in a public offering of securities registered under the Securities Act. Generally, if the seller acquired the securities from someone other than the Company or an affiliate of the Company, the holding period of the person from whom the seller acquired such securities can be "tacked" to the seller's holding period in determining if the holding period has been satisfied.

2. Current Public Information. Current information about the Company must be publicly available before the sale can be made. The Company's periodic reports filed with the SEC ordinarily satisfies this requirement. If the seller is not an affiliate of the Company issuing the securities (and has not been an affiliate for at least three months) and one year has passed since the securities were acquired from the issuer or an affiliate of the issuer (whichever is later), the seller can sell the securities without regard to the current public information requirement.

Rule 144 also imposes the following additional conditions on sales by persons who are "affiliates." A person or entity is considered an "affiliate," and therefore subject to these additional conditions, if it is currently an affiliate or has been an affiliate within the previous three months:

3. Volume Limitations. The amount of debt securities that can be sold by an affiliate and by certain persons associated with the affiliate during any three-month period cannot exceed 10% of a tranche (or class when the securities are non-participatory preferred stock), together with all sales of securities of the same tranche sold for the account of the affiliate. The amount of equity securities that can be sold by an affiliate during any three-month period cannot exceed the greater of (i) one percent of the outstanding shares of the class or (ii) the average weekly reported trading volume for shares of the class during the four calendar weeks preceding the time the order to sell is received by the broker or executed directly with a market maker.

4. Manner of Sale. Equity securities held by affiliates must be sold in unsolicited brokers' transactions, directly to a market-maker or in riskless principal transactions.

5. Notice of Sale. An affiliate seller must file a notice of the proposed sale with the SEC at the time the order to sell is placed with the broker, unless the amount to be sold neither exceeds 5,000 shares nor involves sale proceeds greater than \$50,000. See "Filing Requirements".

Bona fide gifts are not deemed to involve sales of shares for purposes of Rule 144, so they can be made at any time without limitation on the amount of the gift, subject to compliance with applicable law. Donees who receive restricted securities from an affiliate generally will be subject to the same restrictions under Rule 144 that would have applied to the donor, depending on the circumstances.

B. *Private Resales.*

Directors and officers also may sell securities in a private transaction without registration pursuant to Section 4(a)(7) of the Securities Act, which allows resales of shares of reporting companies to accredited investors, provided that the sale is not solicited by any form of general solicitation or advertising. There are a number of additional requirements, including that the seller and persons participating in the sale on a remunerated basis are not “bad actors” under Rule 506(d)(1) of Regulation D or otherwise subject to certain statutory disqualifications; the Company is engaged in a business and not in bankruptcy; and the securities offered have been outstanding for at least 90 days and are not part of an unsold underwriter’s allotment. Private resales raise certain documentation and other issues and must be reviewed in advance by the Company’s Chief Executive Officer and normally require the participation of outside counsel.

C. *Restrictions on Purchases of Company Securities.*

In order to prevent market manipulation, the SEC adopted Regulation M under the Exchange Act. Regulation M generally restricts the Company or any of its affiliates from buying Company shares, including as part of a share buyback program, in the open market during certain periods while a distribution, such as a public offering, is taking place. You should consult with the Company’s Chief Executive Officer, if you desire to make purchases of Company shares during any period in which the Company is conducting an offering. Similar considerations may apply during period when the Company is conducting or has announced a tender offer.

D. *Filing Requirements.*

1. Schedule 13D and 13G. Section 13(d) of the Exchange Act requires the filing of a statement on Schedule 13D (or on Schedule 13G, in certain limited circumstances) by any person or group that acquires beneficial ownership of more than five percent of a class of equity securities registered under the Exchange Act or loses the eligibility to file on Schedule 13G. The threshold for reporting is met if the stock owned, when coupled with the amount of stock subject to options exercisable within 60 days, exceeds the five percent limit.

A report on Schedule 13D is required to be filed with the SEC and submitted to the Company within five business days after the reporting threshold is reached. If a material change occurs in the facts set forth in the Schedule 13D, such as an increase or decrease of one percent or more in the percentage of stock beneficially owned, an amendment disclosing the change must be filed within two business days after the change occurs. A decrease in beneficial ownership to less than five percent is per se material and must be reported. Schedule 13G reporting, which is more limited and subject to fewer updating requirements than 13D, is generally available for equity securities acquired before the Company’s Business Combination.

A person is deemed the beneficial owner of securities for purposes of Section 13(d) if such person has or shares voting power (i.e., the power to vote or direct the voting of the securities) or dispositive power (i.e., the power to sell or direct the sale of the securities). A person filing a Schedule 13D may seek to disclaim beneficial ownership of any securities attributed to him or her if he or she believes there is a reasonable basis for doing so.

2. Form 144. As described above under the discussion of Rule 144, an affiliate seller relying on Rule 144 must file a notice of proposed sale with the SEC at the time the order to sell is placed with the broker unless the amount to be sold during any three-month period neither exceeds 5,000 shares nor involves sale proceeds greater than \$50,000.

CERTIFICATION

I, Joseph Williger, certify that:

1. I have reviewed this annual report on Form 20-F of G. Willi-Food International Ltd.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;
4. The company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and we have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and
5. The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: March 24, 2026

By: /s/ Joseph Williger
Name: Joseph Williger
Title: Chief Executive Officer

CERTIFICATION

I, Yitschak Barabi, certify that:

1. I have reviewed this annual report on Form 20-F of G. Willi-Food International Ltd.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;
4. The company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and we have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and
5. The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: March 24, 2026

By: /s/ Yitschak Barabi
Name: Yitschak Barabi
Title: Chief Financial Officer

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of G. Willi-Food International Ltd. (the “Company”) on Form 20-F for the year ended December 31, 2025 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Erez Winner, Acting Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 24, 2026

By: /s/ Joseph Williger

Name: Joseph Williger

Title: Acting Chief Executive Officer

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of G. Willi-Food International Ltd. (the “Company”) on Form 20-F for the year ended December 31, 2025 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Yitschak Barabi, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 24, 2026

By: /s/ Yitschak Barabi
Name: Yitschak Barabi
Title: Chief Financial Officer



Exhibit 15.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement Nos. 333-266312 and 333-289474 on Form S-8 of our report dated March 24, 2026, relating to the consolidated financial statements of G. Willi-Food International Ltd. which appears in this Annual Report on Form 20-F of G. Willi-Food International Ltd. for the year ended December 31, 2025.

/S/ Ziv Haft

Ziv Haft

Certified Public Accountants (Isr)

BDO Member Firm

March 24, 2026

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