Rami Levy-Hashikma Marketing

May 28, 2026

Rami Levy Shivuk Hashikma continues to maintain its strategy of placing the customer at the center – The year 2026 begins with double-digit growth in activity and a sharp increase in profits, while maintaining the most important asset to the Company, the customer, and deepening the discounts:

Revenues in the first quarter of 2026 grew by about 15% to about ILS 2.12 billion – thanks to about 9.4% growth in same store sales from branches the chain launched in the same period of last year

Net profit in the quarter increased by about 34% to about ILS 74 million – due to improvement in operational efficiency

The gross profit rate in the quarter was about 23.0% of revenues compared with about 23.8% of revenues in the same quarter of last year – due to deepening discounts ahead of the Passover holiday and during the period of the war, for the good of consumers

During the coming year, the Company expects to open 4 discount food branches, 3 stock branches and 10 drugstores; the Company intends to accelerate opening branches within the cities, and to open at least 70 "Rami Levy in the Neighborhood" branches over the next 3 years

During the first quarter of 2026 the first 'Rami Levy Stock' store opened, in Pardes Hana, and succeeded beyond expectations, following which the Company intends to expand this activity and open at least 3 more branches in the coming year

The growth trend in Rami Levy mobile communications activity continues – the supplier base increased to about 472,000 after about 60,000 subscribers joined during the last year

Rami Levy, co-CEO of Rami Levy Shivuk Hashikma: "We began the year 2026 with strong results, by virtue of the principle that has accompanied us throughout – to strengthen our foundations, which are the customers, placing the consumer at the center, and continuing to offer the lowest-cost basket of products in the country without compromising on quality and service. Ahead of Passover and due to the 'Roaring Lion' campaign, we deliberately chose to deepen the discounts for the good of customers in their daily battle with the cost of living, even at the expense of eroding gross profitability – The public identified this and voted with their feet in our favor, as is reflected by the growth in the merchandise amounts and the roughly 9.4% increase in same store sales. Alongside that, our consistent effort to keep expenses in check led to improvement in operating efficiency which was translated directly to a sharp increase in profits. The excellent launch of the first 'Rami Levy Stock' branch, in Pardes Hana, succeeded beyond expectations, proving that our concept of placing the customer at the center applies to every area. We are adhering to the strategic plan to expand our volumes of activity including by opening new branches in all segments – discount, urban branches, drugstores and stock stores – in order to bring the message of price and quality to hundreds of thousands more customers. We shall continue to serve our customers everywhere and in every area (in contrast to reports, the chain made no sales to Gaza)."

Yafit Atias, co-CEO of the Rami Levy Shivuk Hashikma chain: "The quarterly results reflect the continuation of the Group's growth strategy and our ability to achieve growth in profits without it being at the expense of the consumer – while deepening discounts and lowering prices, and accordingly, we presented a steep increase in profits. We present consistent growth in all areas of activity – from food retail to growth by the Good Pharm chain and mobile

communications activity, which is approaching half a million subscribers, to successful entry into the field of stock at the start of the year. The main growth driver is opening new branches in the discount segment, and we plan and see room to open about 30 more discount stores without creating cannibalization of the existing branches. We are also accelerating the urban format with an orderly strategic plan to open about 70 'Rami Levy in the Neighborhood' branches, hence in three years from today, we expect to be operating about 100 urban branches, making low prices accessible to the general public in the city centers too. Our robust cash base enables us to expand commercial activity, with emphasis on opening dozens of new stores each year, investing in technological developments, constantly upgrading the customer experience and examining additional business opportunities that would strengthen the relationship with the customers and enable us to bring them significant value over time."

The Rami Levy Shivuk Hashikma chain of food retail stores reports its financial results for the first quarter of 2026, attesting to steep growth in volumes of activity, influenced by the timing of the Passover holiday and the 'Roaring Lion' campaign, which contributed to growth in sales amounts from acceleration of opening new branches in all segments of activity in keeping with the Company's strategy, and presents a steep increase in profits despite deepening discounts to the chain's customers, as a result of improvement in operating efficiency. Despite a decrease in gross profit, the Company presents growth in operating profit.

Key results in the first quarter of 2026

Revenues of the Rami Levy Shivuk Hashikma chain in the first quarter of 2026 grew by about 15% to about ILS 2.12 billion compared with about ILS 1.85 billion in the same quarter of 2025. The growth in revenues was due to a roughly 9.4% increase in same store sales in food retail, an increase of about 2.8% in same store sales at the Good Pharm chain, from opening 4 new discount stores and 14 new drugstores, and from the first contribution of the stock activity with the launch of the first branch, in February this year.

Gross profit in the first quarter of 2026 increased to about ILS 487 million, compared with about ILS 438 million in the same quarter last year. **The gross profit rate** in the quarter was about 23.0% of revenues compared with 23.8% of revenues in the parallel of last year – due to deepening discounts, in order to offer the lowest-cost basket of goods ahead of the Passover holiday and as part of the Company's strategy of benefiting the customer in regard to the cost of living.

Operating profit in the first quarter of 2026 increased to about ILS 112 million, compared with about ILS 90 million in the first quarter of last year. The increase in operating profit stemmed mainly from the described growth in the volume of sales and improvement in operating efficiency as reflected by the decrease in operating costs. The **operating profit rate** in the first quarter increased to about 5.3% of revenues, compared with about 4.9% of revenues in the same quarter of last year.

Net profit at the Rami Levy Shivuk Hashikma in the first quarter of 2026 increased by about 34% to about ILS 74 million compared with about ILS 55 million in the same period of last year. The increase in profits stemmed as said from the double-digit growth in volumes of activity and improved operating efficiency.

The Company's **EBITDA** in the first quarter of 2026 increased by about 20% to about ILS 201 million (about 9.5% of revenues) compared with about ILS 168 million (about 9.1% of revenues) in the same quarter of last year.

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<u>Balance sheet as of March 31, 2026 and key points</u>:

The Company has **cash and short-term investments** of about ILS 1 billion designated, among other things, to take advantage of strategic business opportunities, including by way of mergers and acquisitions of businesses that create synergy.

In parallel with approving the financial statements, the Company's Board of Directors declared a **dividend distribution** of about ILS 58 million, adding to the roughly ILS 250 paid during 2025. From its initial public offering in May 2007 to date, the Company has distributed more than ILS 2 billion in dividends.

The Company intends to continue to expand the discount branch activity – the Rami Levy Shivuk Hashikma chain presently operates 63 branches (of which 3 by franchise) and a branch for wholesale sale under the format of Rami Levy for Businesses. The Company identifies the potential to establish about 30 more discount branches in new areas where it does not presently operate, and assesses that opening the new branches will not create cannibalization of the active branches. Accordingly, the Company intends to open about 4 more discount branches and about 10 drugstore branches during the coming year. The Company is investing in a range of advanced technological means to provide better service and a wider range of services to the Company's customers.

The Company intends to continue to significantly expand its urban operations through the "Rami Levy in the Neighborhood" chain by opening dozens of branches branded "Rami Levy in the Neighborhood" in the coming years. The Company presently operates 36 branches in the neighborhood format. During the first quarter of 2026, the Company consolidated the results of the neighborhood format activity with the results of the retail segment for the first time instead of including it under the 'Miscellaneous' segment.

Opening the first stock store – In February this year, the Company opened the first branch of "Rami Levy Stock" (in which it holds 51%), which imports and sells non-food items retail in Pardes Hana, and given its success, the Company intends to expand this activity this year with establishing 3 more branches, at investments that are not material to the Company.

The Rami Levy customer club – The Company operates a customer club under the brand "Rami Levy Customers Club". Club members receive a wealth of benefits they can exercise at the chain's stores and on its website. In the first quarter of 2026, the Company reported revision of a head of agreement regarding the establishment of a joint customer club for food and tourism with the Company, Isracard and Israir. Under the head of agreement, Israir will acquire 10% of the shares in the Rami Levy Club for about ILS 20 million, and shall offer club members the opportunity to exercise vacation benefits in Israel or overseas. Establishment of the joint club is contingent on receiving permits per the law.

Private label – Private label sales presently constitute about 26.4% of the Company's sales. The company views private label as a growth engine that bolsters customer loyalty and the Company's profits. The Company intends to continue to develop the private label and expand its proportion of the Company's sales.

In the mobile communications industry, during the first quarter of 2026, another 21,000 subscribers joined the Rami Levy cellular activity, hence as of the end of the first quarter, the subscriber base had increased to about 472,000, compared with about 450,000 subscribers at year-end 2025.

The Rami Levy Shivuk Hashikma chain, managed by Rami Levy and Yafit Atias, operates as a chain of discount stores selling food and toiletries. The chain operates in both retail and wholesale, today operating 63 supermarket branches (of which three are run as franchises), 36 neighborhood stores under the brand "Rami Levy in the Neighborhood", and also a wholesale point of sale in northern Israel. A new logistics center for businesses will be opening at the end of the second quarter in Timorim; the Company wishes to develop the segment of selling to businesses, and sees it as another mechanism to improve the Company's profitability. In addition, there is the Good Pharm chain, which has about 80 drugstores around Israel, and the mobile communications activity with about 472,000 subscribers as a mobile virtual network.

We wish to take this opportunity to thank the devoted employees and managers of the Company, our community of customers, and our investors. We support the soldiers of the IDF and the defense forces, wish for the rapid recovery in mind and body of the wounded, and hold the hands of the families of the bereaved and the wounded.

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