Rami Levy-Hashikma Marketing

August 19, 2026

Rami Levy Shivuk Hashikma continues to maintain its strategy of placing the customer at the center – Summing up the first half of 2026 with growth in volumes of activity while preserving the most important asset to the Company, the customer, continuing to fight against the cost of living on the customer's behalf, and deepening the discounts:

Revenues in the first half of 2026 grew by about 9% to about ILS 4.18 billion – thanks to about growth of about 3.6% in same store sales and successful implementation of the strategic plan to increase the number of chain stores

Net profit in the first half increased by about 14% to about ILS 133 million, despite the influence of net financing costs on an exchange rate hedging transaction totaling about ILS 14 million which was terminated and will not impact future results

The operating profit rate in the first half increased to about 5.0% compared with about 4.7% in the same period of last year – due to improvement in operational efficiency

Revenues in the quarter grew by about 3% to about ILS 2.07 billion; quarterly net profit totaled about ILS 59 million

During the coming year, the Company expects to open 2 discount food branches, 3 stock branches and 10 drugstores; the Company intends to accelerate the pace of opening branches within the cities, and to open at least 70 "Rami Levy in the Neighborhood" branches over the next 3 years

The growth trend in Rami Levy mobile communications activity continues – The supplier base is approaching half a million subscribers, after 43,000 joined from the year's start

Last week the Company launched the SuperFly club, enabling holders of the Rami Levy credit card to accrue on each purchase using the card in addition to the significant savings on shopping at Rami Levy, which can be used on flights and Israir vacation packages in Israel and around the world

Rami Levy, co-CEO of Rami Levy Shivuk Hashikma: **"We sum up the first half of the year with continuing growth and strengthening operations, by virtue of preserving the principle that has guided us over the years – to place the consumer at the center and offer the lowest-cost basket of products in the country without compromising on quality and service. The growth in operations and increase in profits are the result of expanding the chain while constantly maintaining operational efficiency, and we continue to invest our resources in expansion in all areas of our business while bringing the Rami Levy message to hundreds of thousands more people. We intend to continue to accelerate the pace of opening new branches in all our areas of activity – discount retail sales, the neighborhood grocery format, drugstores, and stock stores, without creating cannibalization for ourselves – and in parallel shall continue to develop the private label, the customers club and additional activities that create value for the consumer. Just last week, we announced the launch of SuperFly, which will enable Rami Levy credit card holders to accrue dollars with every purchase made using the card while continuing to receive significant savings from special promotions for club members and using them for Israir flights and vacation packages, by which we enable the public to enjoy vacations at more affordable prices. It is true that very little time has passed since the launch, but we see interest mounting from day to day. The Rami Levy chain has a strong business and financial base, allowing us to invest in internal expansion,**

and also to examine business opportunities that would enable us to expand our contact with the customers, while keeping to the principles that guide us every step along the road."

Yafit Atias, co-CEO of the Rami Levy Shivuk Hashikma chain: "We are summing up a strong half year with an increase of about 14% in profits, despite the negative impact of the shekel's appreciation against the dollar, hence excluding that influence, profits increased even more. The increase in profits, despite the stability in gross profitability, manifests our ability to maintain operational efficiency while significantly expanding commercially in all our areas of business, by virtue of strict and proper management of costs and introducing technological tools to control expenditures. The growth in activity relies on an orderly strategic plan for long-term expansion, including opening new branches for the sale of food, drugstores, and stock stores. Over the coming year we intend to open 2 more discount branches, 10 drugstores, and 3 more stock stores, and in parallel to significantly accelerate the deployment of 'Rami Levy in the Neighborhood' groceries in the city centers. Alongside that, in mobile communications activity, the supplier base continues to grow from quarter to quarter and is presently approaching half a million. We continue to develop the private brand with progress in private label sales, thanks to a broadening variety of customers and strengthening the brand in the framework of the agreement with the global company Warner Brothers. The combination of these growth drivers, and the strong financial base, enables us to continue investing in expanding activity, technology, and in improving the customer experience and building a base to continue to grow in the coming years, importantly – without any of this being at the expense of the consumer, for whose sake we will continue to fight against the cost of living and enable the consumer to buy all their goods cheaply and with dignity."

The Rami Levy Shivuk Hashikma chain of food retail stores reported its financial results for the first half of 2026, attesting to continuing growth in volumes of activity due to growth in the number of visitors to the chain's stores and accelerating the pace of opening branches in all its areas of activity, in keeping with the Company's strategy, and presents sharp growth in profits due to improvement in operating efficiency, as is reflected in the improvement in operating profitability even though gross profitability remained unchanged.

Key results in the second quarter of 2026

Revenues of the Rami Levy Shivuk Hashikma chain in the second quarter of 2026 grew by about 3% to about ILS 2.07 billion compared with about ILS 2 billion in the same quarter of 2025. The growth in revenues stemmed mainly from opening new food retail branches and drugstores, and launching the first stock store, partly offset by the drop of about 2.4% in food retail same store sales because of the timing of the Passover holiday, which took place this year in the first quarter, while last year it had a positive impact on the second-quarter results.

Gross profit in the second quarter of 2026 increased by about 6% to about ILS 487 million, compared with about ILS 459 million in the same quarter last year. **The gross profitability rate** in the quarter rose to about 23.6% of revenues compared with 22.9% of revenues in the parallel quarter of last year – the improvement in profitability stemmed mainly from the timing of the Passover holiday, alongside commercial improvement and the introduction of technological tools to make the Company's expenditure more efficient.

Operating profit in the second quarter of 2026 rose by about 8% to about ILS 98 million, compared with about ILS 91 million in the parallel quarter of last year. The increase in operating profit stemmed from the increase in the volumes of activity. The **operating profit rate** in the second quarter increased to about 4.7% of revenues, compared with about 4.5% of revenues in the same quarter of last year.

Net profit at the Rami Levy Shivuk Hashikma in the second quarter of 2026 totaled about ILS 59 million, compared with about ILS 62 million in the same period of last year. The drop in net profit, despite the increase in operating profit, was mainly due to the increase in financing costs, mainly in respect to dollar-shekel exchange rate differentials on a hedging transaction that has terminated, and will not have impact in the coming quarters.

The Company's **EBITDA** in the second quarter of 2026 increased by about 9% to about ILS 190 million (about 9.2% of revenues) compared with about ILS 174 million (about 8.7% of revenues) in the same quarter of last year.

Key results for the first half of 2026

Revenues in the first half of 2026 grew by about 9% to about ILS 4.18 billion compared with about ILS 3.85 billion in the same period of 2025. The growth in revenues stemmed from a 3.6% increase in food retail same store sales, opening 4 new discount branches, and the first contribution of the stock activity with the launch of the first stock store during the first quarter of the year.

Gross profit in the first half of 2026 increased by about 9% to about ILS 974 million, compared with about ILS 897 million in the same period of last year. The increase in gross profit stemmed from the described growth in revenues, while the gross profitability rate remained stable at about 23.3% of revenues, about the same as in the same period of last year.

Operating profit in the first half of 2026 rose by about 16% to about ILS 209 million, compared with about ILS 180 million in the parallel period of last year. The increase in operating profit stemmed mainly from the growth in the volumes of activity and improvement in operating efficiency, as reflected by a drop in the operating costs rate. The **operating profit rate** in the first half increased to about 5.0% of revenues, compared with about 4.7% of revenues in the same period of last year.

Net profit at the Rami Levy Shivuk Hashikma chain in the first half of 2026 grew by about 14% to about ILS 133 million, compared with about ILS 117 million in the same period of last year. The increase in profits was due to growth in the volumes of activity, improvement in operating efficiency and was despite the increase in net financing costs on dollar-shekel exchange rate differentials on a hedging transaction that has terminated.

The Company's **EBITDA** in the first half of 2026 increased by about 14% to about ILS 391 million (about 9.4% of revenues) compared with about ILS 342 million (about 8.9% of revenues) in the same period of last year.

Balance sheet as of June 30, 2026 and key points:

The Company has **cash and short-term investments** of about ILS 894 million which is earmarked, among other things, for taking 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 102 million. 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 62 branches (of which 3 by franchise as well as two branches for wholesale sales under the format of Rami Levy for Businesses). The Company identifies the potential to establish about 25 more discount branches in additional 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 2 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.

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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, after having opened two new branches in recent weeks.

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. Last week, the SuperFly club was launched: beyond the benefits in the lowest-cost shopping basket in the country and at the group companies, all purchases paid using the credit card will accrue dollars and will enable club members to exercise benefits on vacations in Israel and abroad, by accruing dollars on each purchase using the credit card. SuperFly is a joint club **of the Rami Levy corporation,** Isracard, and Israir, combining in a single card the worlds of shopping, tourism and finances. In the framework of the partnership, Israir owns 10% of the shares in the club company, Isracard owns about 18% and the Rami Levy company owns 72%.

In private label – Private label sales presently constitute about 26.9% of the Company's sales. The company views private label as a growth engine that bolsters customer loyalty and the Company's profitability. The Company intends to continue to develop the private label and expand its proportion of the Company's sales.

In mobile communications, in the first half of 2026, another 43,000 subscribers joined the Rami Levy cellular activity, hence as of the end of the half year, the subscriber base had increased to about 493,000, 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 62 supermarket branches (of which three are run as franchises), 36 neighborhood stores under the brand "Rami Levy in the Neighborhood", 82 drugstores, recently launched stock operations, and operates in mobile communications as a mobile virtual network with about 493,000 subscribers.

For more details - Eisenberg-Eliash, Yoav Naimi 0546-300933, Keren Michlin 052-8272735