Rami Levy-Hashikma Marketing

March 26, 2026

<u>Rami Levy Shivuk Hashikma sums up an excellent year of activity – The public is voting with its feet in favor of choosing to shop at the chain, thanks to the shopping experience and on the backdrop of the cost of living:</u>

<u>Revenues in the year 2025 grew by about 6.2% to about ILS 7.84 billion – supported by roughly 2% growth in same store sales, and opening new food retail and drugstore branches</u>

<u>Net profit came to about ILS 223 million in 2025 and about ILS 51 million in the fourth quarter</u>

<u>The gross profit rate in 2025 was about 23.7% of revenues, similar to 2024, in order to maintain the lowest-cost prices for the chain's customers</u>

<u>During the coming year, the Company expects to open at least 5 discount food 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</u>

<u>Last month, 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</u>

<u>The number of subscribers to the Rami Levy mobile communications activity grew by about 13% in 2025 to 450,000, reflecting the fastest pace of growth in Israel's communications sector</u>

<u>Rami Levy, co-CEO of Rami Levy Shivuk Hashikma</u>: **"The year 2025 was a very good one for the chain, clearly demonstrating that our strategy is consistent and correct. We continue to place the customer at the center, to offer the lowest-cost basket of products without compromising on quality and service, to help the consumer cope with the cost of living. The growth in revenues stems from customers choosing the chain and from its expansion while maintaining a low, attractive level of prices, even at the expense of stability in gross profitability. We shall continue to fight the cost of living for consumers by deepening competition over shelf space at the stores through direct imports, strengthening the private label brand and improving the terms of trade. In parallel we are investing in innovation and operational efficiency as part of constant improvement and strengthening the customer experience. We shall continue to expand the discount and drugstore activity, to enter the city centers and neighborhoods and make the chain and the lowest-cost basket of products, without compromising on quality and service, accessible to hundreds of thousands more customers. The success of the first 'Rami Levy Stock' branch reinforces our direction of expansion in this area as well, based on the same concept of placing the consumer at the center."**

<u>Yafit Atias, co-CEO of the Rami Levy Shivuk Hashikma chain</u>: **"The results show a year of consistent growth alongside strengthening company loyalty, with growth in revenues and expansion in all our areas of activity. The combination of broader deployment of branches, strengthening the drugstore activity, and deepening activity in other growth drivers supports persisting growth in the volume of activity and expansion of our customer base. The innovation we are integrating, from smart shopping carts to digital pricing to advanced logistical solutions enable us to improve efficiency, intensify the customer experience and maintain competitive prices. In the year to come, we shall accelerate the pace of opening new stores, both discount retail and drugstores, along with developing the 'Rami Levy in the Neighborhood' format and expanding our stock activity. In parallel, we continue to invest in the customers club and**

in additional growth engines that strengthen our relationship with the customer and enable us to provide them with greater value over time."

The Rami Levy Shivuk Hashikma chain of food retail stores reports its financial results for the year 2025, summing up an excellent year in activity volumes due to growth in the number of visitor to the chain stores and implementing the strategic plan to accelerate the pace of opening both food retail stores and drugstores. The high pace of opening new discount branches is expected to continue in the coming year, in addition to opening dozens of groceries in the cities and opening additional stock stores, in order to duplicate the success of the first branch, which opened last month.

Key results in 2025

Revenues of the Rami Levy Shivuk Hashikma chain in the year 2025 grew by about 6.2% to about ILS 7.84 billion compared with about ILS 7.38 billion in 2024. The growth in revenues was due to a roughly 2% increase in same store sales in food retail and from opening 4 new discount stores in the framework of implementing the strategic plan to accelerate the pace of opening new branches, alongside the Good Pharm drugstore activity due to a 6.2% increase in same store sales and opening 9 new drugstore branches.

Gross profit in 2025 increased by about 6.1% to about ILS 1.86 billion, compared with about ILS 1.75 billion in 2024. The increase in total gross profit was due to the described growth in revenues, while **the gross profit rate** remained stable at about 23.7%, similar to 2024.

Operating profit in 2025 increased by about 4.2% to about ILS 381 million, compared with about ILS 366 million in 2024. The increase in operating profit stemmed mainly from the described growth in the volume of activity, which was partly offset by growth in operating costs due to opening new branches that have yet to fully mature, an increase in wage costs and the impact of the increase in the CPI on the Company's input prices. Accordingly, the **operating profit rate** in 2025 was about 4.86% of revenues compared with 4.95% of revenues in 2024.

Net profit at the Rami Levy Shivuk Hashikma in 2025 totaled about ILS 223 million, compared with about ILS 259 million in 2024. The decrease in profits, in spite of the described increase in operating profit, stemmed mainly from an increase in net financing costs to about ILS 88 million compared with about ILS 32 million in 2024, due chiefly to changes in the exchange rate of the USD and transactions to hedge the risk of the USD exchange rate.

The Company's **EBITDA** in 2025 increased by about 5.5% to about ILS 719 million (about 9.2% of revenues) compared with about ILS 682 million (about 9.2% of revenues) in 2024. The increase is explained by the growth in activity volumes.

Key results in fourth quarter of 2025:

Revenues of the Rami Levy Shivuk Hashikma chain in the fourth quarter of 2025 grew by about 5.5% to about ILS 1.95 billion, compared with about ILS 1.85 billion in the same period of 2024. The growth in revenues stemmed from an increase of about 1.6% in food retail same store sales and opening new discount branches, and growth in Good-Pharm activity due to a 5.2% increase in same store sales and opening new drugstore branches.

Gross profit in the fourth quarter of 2025 rose by about 3.5% to about ILS 465 million, compared with about ILS 450 million in the same quarter of 2024. The increase in gross profit stemmed from the described growth in revenues, against which **gross profitability** moderated in the quarter to about 23.9% of revenues, compared with about 24.4% of revenues in 2024 – a result of deepening discounts in order to offer the lowest-cost basket to consumers at a time that product prices are rising.

Operating profit in the fourth quarter of 2025 increased by about 6% to about ILS 99 million compared with about ILS 94 million in the parallel quarter of 2024. The increase in operating profit stemmed mainly from the described increase in volume of sales and recognition of net other income totaling about ILS 15 million from a claim the Company submitted for compensation of war damage. **The operating profit rate** in the fourth quarter was about 5.1% of revenues, similar to the parallel quarter of 2024.

The **net profit of** the Rami Levy Shivuk Hashikma chain in the fourth quarter of 2025 totaled about ILS 51 million, compared with about 61 million in the same quarter of 2024. The decrease in net profit despite the described increase in operating profit was due mainly to an net increase in financing costs of about ILS 11 million in the parallel quarter of 2024 to about ILS 33 million in the present quarter, due to differences in the USD exchange rate against the shekel. **Excluding exchange rate influences,** the net profit of the Rami Levy chain in the fourth quarter of 2025 totaled about ILS 63 million, compared with about ILS 66 million in the same quarter of 2024.

The Company's **EBITDA** in the fourth quarter of 2025 rose by about 6.4% to about ILS 188 million (about 9.7% of revenues), compared with about ILS 177 million (about 9.6% of revenues) in the same quarter of 2024.

Balance sheet as of December 31, 2025 and key points:

The Company has **cash and short-term investments** of about ILS 880 million and no financial debt. The Company's large amount of cash enables it to examine strategic business opportunities, including by way of mergers and acquisitions. The Company constantly examines such offers, including at present.

In parallel with approving the financial statements, the Company's Board of Directors declared a **dividend distribution** of about ILS 42 million, adding to the roughly ILS 208 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 65 branches (of which 3 by franchise). The Company identifies the potential to establish about 25 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 5 more discount branches and about 10 drugstore branches during the coming year. In addition, 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 expand its online activity – the Company intends to expand online, including by continuing to build and operate automated warehouses for distributing online orders and a better solution for delivering orders to customers. We anticipate an increase in online sales due to this activity.

The Company intends to continue to significantly expand its urban operations through the "Rami Levy in the Neighborhood" chain – During 2025 the Company acquired the outstanding minority rights in the subsidiary Cofix, which has ceased to be a publicly traded company. The Company intends to significantly increase its activity in the cities and to open dozens of branches under the brand name "Rami Levy in the Neighborhood" over the coming years.

First stock store branch – After the balance sheet date, the Company opened the first branch of the "Rami Levy Stock" company (in which it holds 51%) to import and sell stock non-food items retail, in Pardes Hana, and based on its success, the Company intends to expand this activity and establish new stores, 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. During the present month, the Company reported reaching a head of agreement about establishing 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.

In the mobile communications industry, during 2025, another 52,000 subscribers joined the Rami Levy cellular activity, hence as of the end of 2025, the subscriber base had increased to about 450,000 – reflecting a roughly 13% pace of growth in subscriber numbers, to the highest number of subscribers in Israel's communications industry.

The Rami Levy Shivuk Hashikma chain, managed by Rami Levy and Yafit Atias-Levy, operates as a chain of discount stores selling food and toiletries. The chain operates in both retail and wholesale, today operating 65 supermarket branches (of which three are run as franchises) and a wholesale point of sale in northern Israel. In addition, the Company owns about 52% of the Good Pharm chain, which has about 79 drugstores around Israel, and operates in the cellular communications market with about 450,000 subscribers as a mobile virtual network.

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