

**Shufersal Group reports results for Q4 and FY 2023:
Revenues of ~15.2B NIS and net profit of ~323M NIS**

**Improvement in the quarterly profit - Shufersal's net profit for
Q4 totaled ~133M NIS, and is an improvement for the
company.**

**Improvement in the quarterly profit for the company
compared net profits of ~3M NIS in the respective quarter in
2022**

**Revenues in Q4 grew by ~7%, totaling ~3.9B NIS, compared to
~3.65NIS in the respective quarter last year**

**The rate of expenses of the group's total revenues decreased
by approximately 1.9% in 2023 and is significantly lower by
approximately 66 million NIS compared to 2022; in 2023 the
group reduced the number of employees to approximately
15,800 compared to approximately 16,545 employees in 2022**

**~6.9% growth in same store sales in Q3 2023 with an
operating profit rate of 3.7% of revenues in the retail sector
for the said quarter**

**Increase in operating profit (before other income/expenses) in
Q4, totaling ~244 NIS, comprising ~6.2% of the income
compared to ~70M NIS in the respective quarter last year,
~2.2% of the revenues**

**Increase in operating profit (before other income/expenses) in
2023, totaling ~707M NIS, comprising ~4.7% of the income
compared to ~283M NIS in the respective year, ~1.9% of the
revenues**

The operating profit of the Be Pharm grew and amounted to ~17 million NIS in 2023 compared to ~3 million NIS in 2022

The Company board of directors has decided on a dividend distribution of ~180M NIS

(*) Starting with the 2023 financial statements, the segment reporting data (including the comparison numbers) include the impact of the implementation of IFRS16

Itzik Abercohen, Chairman of Shufersal and Ori Watermann, CEO of Shufersal Group:

“We are concluding 2023 with robust results that reflect the Group’s resumption to growth. We have ended the year with an increase in revenues to the record presented in 2020 and have demonstrated improvements in all profit metrics pursuant to the streamlining and improved working capital measures taken, thus reducing the net financial debt to ~1.2B NIS. The Group continued to focus on food retail, streamlining and improving its operating profitability while further developing various growth areas. Q4 was impacted by Iron Swords War, providing a strong end to the year, both in the same stores, with a sharp increase in demands, and in the net profit for Q4, reflecting a quarterly record for the Group.

2023 was characterized by a technological upswing upon launching the automatic delivery center in Modi’in. We continued to strengthen the online and digital infrastructures, aiming to achieve leadership in the field while enhancing synergies with BePharm. Activities in the business sector are also expanding, and we are also working on expanding the scope of the private institutional brand. Stock chain operations are gaining momentum as we open new branches and establish a synergy with the retail operation. In addition, the low leverage and liquid balances enable the Group to develop in real estate, while improving existing properties and harnessing market opportunities.

The Group continues to demonstrate robustness, even in these complex times. In the aftermath of the October events, the Group demonstrated its power and we strengthened our position as a company that provides its customers a variety of products and services, anytime and anywhere, were our physical and technological infrastructure enables us to meet every challenge. Shufersal will continue its efforts to promote innovation and business development, create the best and most worthwhile value propositions for its customers and generate long term value for the shareholders.”

Group revenues in Q4 totaled ~3,906M NIS, reflecting an increase of ~7% compared to ~3,649M NIS in the respective quarter last year. Sales in same

stores increased by ~6.9% in Q4/2023 compared to the respective quarter last year.

Group revenues for 2023 totaled ~15.2B NIS compared to ~14.7B NIS in 2022, reflecting an increase of ~3.6%. Sales in same store branches increased by ~2.1% in 2023, as compared to 2022.

Q4 gross profit increased by ~7.4%, totaling ~1,031M NIS, comprising ~26.4% of the revenues compared to ~960M NIS in the respective quarter last year, comprising ~26.3% of the revenues.

2023 gross profit totaled ~4,027M NIS compared to ~3,882M NIS in 2022, comprising ~26.5% of the sales turnover, similarly to 2022.

In Q4, operating profit before other revenues/expenses totaled ~164M NIS, comprising ~4.2% of Group revenues, as compared to ~70M NIS, comprising ~1.9% of Group revenues in the respective quarter last year.

Other revenues in Q4 totaled 80M NIS, derived mainly of 51M NIS in revenues resulting from a 23M NIS update in non-financial asset assessment and investment real estate valuation .

Operating profit (before other income/expenses) in 2023 totaled ~605M NIS, comprising ~4.0% of the income compared to ~394M NIS in 2022, comprising ~2.7% of the sales turnover.

In 2023, other revenues totaled ~102M NIS, derived mainly of 43M NIS in revenues resulting from a 57M NIS update in non-financial asset assessment and investment real estate valuation, compared to other expenses of ~111M NIS in 2022. An expense of 182M NIS was recorded in 2022 for the Company's streamlining plan as well as revenue from 69M NIS derived of a revaluation of investment real estate.

Net profit in 2023 totaled 133M NIS (~132M NIS is related to the shareholders) comprising a quarterly record for the Company, compared to net profits of ~3M NIS in the respective quarter last year (~2M NIS related to the shareholders), derived of the applied streamlining plan.

Net profit in 2023 totaled ~323M NIS (~312M NIS related to the shareholders), compared to net profits of ~2M NIS in 2022 (~1M NIS related to the shareholders).

Q4 EBITDA totaled ~427M NIS, comprising ~10.9% of Company sales, compared to ~300M NIS in the respective quarter last year, comprising ~8.2% of Company sales in the respective quarter last year.

2023 EBITDA totaled ~1,572M NIS, comprising ~10.4% of Company sales, compared to ~1,294M NIS, comprising ~8.8% of Company sales in 2022.

Q4 retail revenues totaled ~3,625M NIS, reflecting an increase of ~7.5% compared to ~3,372M NIS in the respective quarter last year, derived mainly of

increased sales in Shufersal stores. Retail operating profit totaled ~134M NIS and 3.7% of revenues, compared to ~39M NIS and ~1.2% of revenues in the respective quarter last year.

2023 retail revenues totaled ~14,054M NIS, reflecting an increase of ~3.7% compared to ~13,558M NIS in 2022. Retail operating profit totaled ~471M NIS and 3.4% of revenues, compared to ~271M NIS and ~2.0% of revenues in the respective quarter last year.

Real estate revenues in Q4 totaled ~62M NIS compared to ~59M NIS in the respective quarter last year. The increase was derived mainly of an increase in the consumer price index. Real estate operating profits in Q4 totaled ~43M NIS compared to ~48M NIS in the respective quarter last year. The decline is derived mainly of expenses relating to the development of real estate activities as part of the Company's strategy to render the activity a significant growth engine.

2023 real estate revenues totaled ~250M NIS, compared to ~206M NIS in 2022. The 21.4% increase is derived mainly of the acquisition of control in Lev Hamraz and an increase in the consumer price index. 2023 real estate operating profits totaled ~187M NIS, compared to ~172M NIS in 2022.

Be sector revenues in Q4 totaled ~259M NIS, compared to ~255M NIS, demonstrating an increase of 1.6%. Sales in same store branches declined by ~1.1%, mainly due to Iron Swords War, which led to reduced operations at branches in the Gaza Envelope, the northern region and tourism areas compared to the respective quarter last year. Be sector operating profits in Q4 totaled ~5M NIS compared to a loss of ~6M NIS in the respective quarter last year. The increase was derived of improved profitability rates compared to last year, inter alia due to a change in the sales mix and streamlining processes.

Be sector revenues in 2023 totaled ~1,036M NIS, compared to ~1,045M NIS in 2022, reflecting a decline of 0.9%, derived mainly of COVID's impact on sales last year. Sales at same store branches declined by ~1.9% compared to 2022 and, disregarding COVID products, increased by ~2.7%. Be sector operating profits totaled ~17M NIS, compared to ~3M NIS in 2022. The increase was derived of improved profitability rates compared to last year, inter alia due to a change in the sales mix and streamlining processes.

Shufersal Online sales in 2023 totaled ~17.5% compared to 19.4% in 2022. The decline was caused, inter alia, by reduced COVID impact, mainly regarding Q1/2022, as well as by reduced online sales of non-food products as part of the effort to focus on operational profitability. In the third quarter of 2021, commercial activity began at the automated shipping center in Kadima, which is currently at full capacity and has reached profitability. In March 2023, the automatic dispatch center in Modiin began commercial activity and according

to the company's assessment, by the end of 2024 it is expected to reach full output as well as reach balance and profitability.

In 2023, the share of private brand sales was ~27.0% as compared to ~27.2 % in 2022. The Group will continue to significantly expand its private brand product offering in order to provide our customers a quality and attractive alternative while promoting competition in the food and consumer product industry.