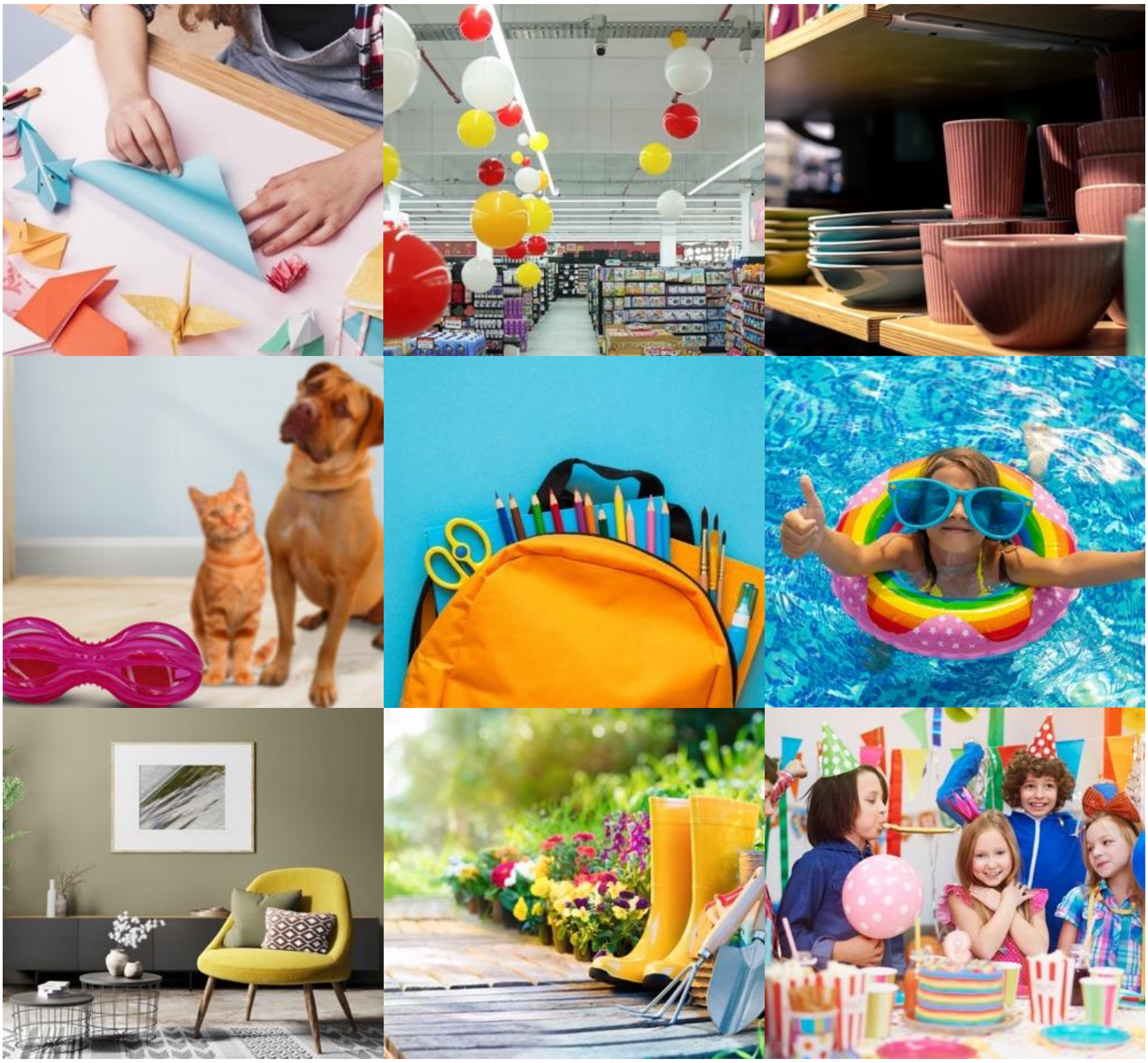

MAX STOCK LTD.

Q1/2023 FINANCIAL REPORTS

MAX STOCK HIGHLIGHTS

FIRST THREE MONTHS OF 2023

280M₪
Revenue

0.15₪
EPS attributable to shareholders

11.5%
% Increase in revenue

60M₪
Dividend declared

37M₪
operating profit

50%
Increase in EPS attributable to shareholders

37M₪
Adjusted EBITDA (*)

59
Branches throughout Israel (**)

24M₪
Net profit

60.8K
NET OWNED SqM

(*) Pre IFRS-16 and stock-based compensation

(**) AS OF MARCH 31, 2023

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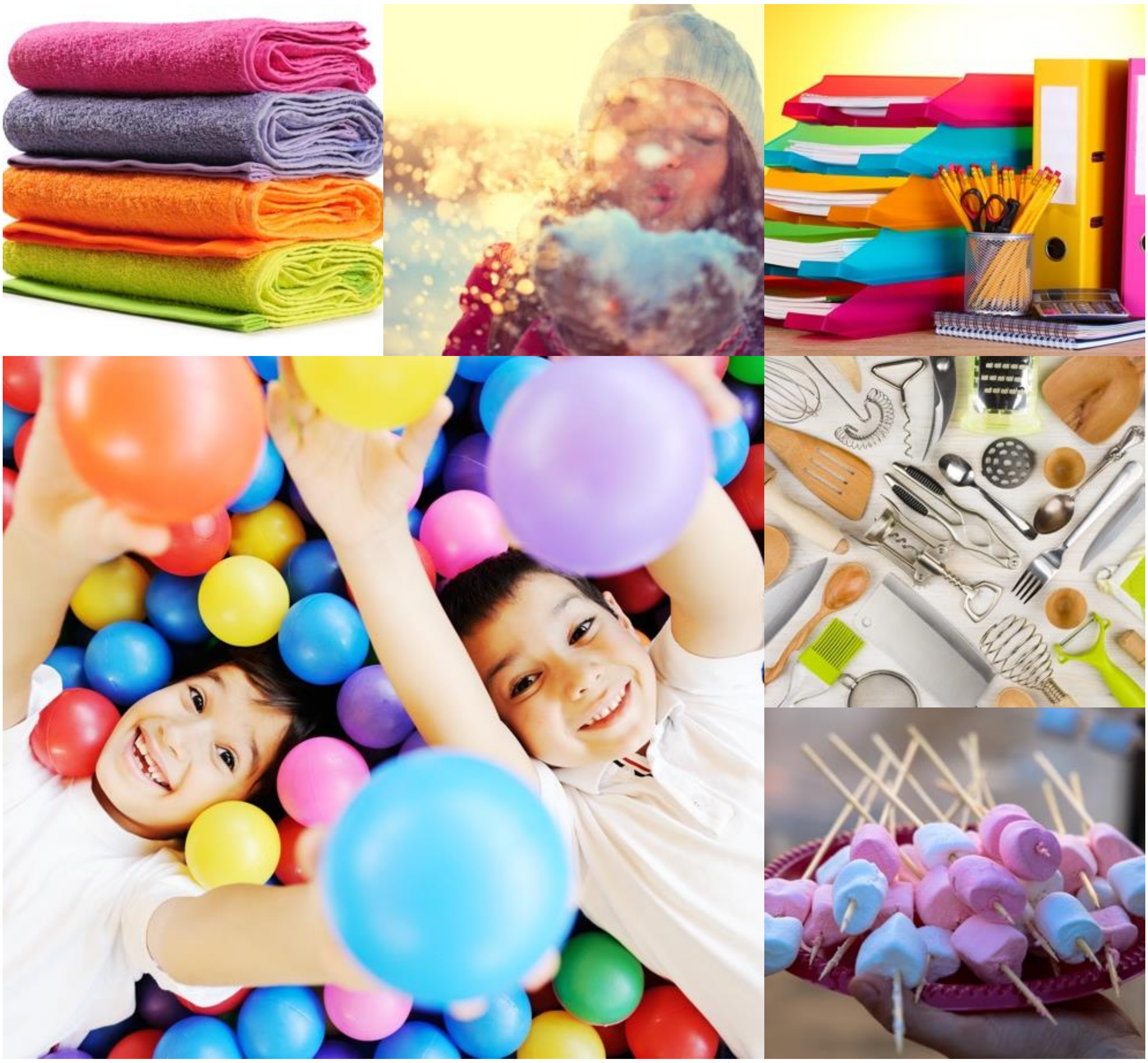
maxstock.co.il



Chapter A

UPDATES TO DESCRIPITION OF COMPANY’S BUSINESS AFFAIRS

Changes and innovations in the Company’s business affairs during and subsequent to the Reporting Period required to be described in the Periodic Report

In this report, the following terms shall mean:

“**Company**” - Max Stock Ltd.

“**Max Chain**” or the “**Chain**” - the ‘discount’ retail chain operating under the trade names “Max - Fun Shopping” and “Mini Max”, which are operated by the Company through subsidiaries and franchises.

“**Financial Report**” - the Company’s consolidated financial statements as of March 31, 2023.

“**Periodic Report**” - the Company’s 2022 annual report, published on March 20, 2023 (Ref. No: 2023-01-024388).

1. Update to Section 1.3 of the Periodic Report - Company's activities and a description of the development of its business affairs

Update to Section 1.3.1 - General

1.1. As of the date of the report and as of its publication date, the Chain has 59 branches. Subsequent to the Reporting Period, a franchise store opened in Akko, and the Chain’s store on Yad Charutzim street in Talpiot closed.

1.2. In May 2023, the Company opened its first store in Portugal with a gross area of approximately 2,200 sqm in the city of Braga, Portugal.

The chain in Portugal will be called Max 10 and will offer its customers a range of products priced at up to EUR 10 per item, in a wide range of divisions which also exist in the chain in Israel, including office equipment, homeware, toys, arts and crafts, beauty and pharmaceuticals, cleaning and more.

Two additional stores are anticipated to open in H2 2023.

2. Update to Section 1.6 of the Periodic Report - Distribution of Dividends

Further to the Company’s immediate report dated March 20, 2023, regarding the approval of a distribution of dividends (Ref. No: 2023-01-024298), on April 3, 2023, the Company paid a dividend totaling ILS 60 million.

3. Update to Section 1.21 of the Periodic Report - Human Capital

Update to Section 1.21.4 - Material changes to the Company’s senior management personnel and its officers

3.1. Subsequent to the date of the report, Mr. Oz Corsia, Senior VP Supply Chain, gave notice that he will conclude his role at the Company on June 30, 2023. Mr. Eliezer (Elik) Kaplan, who will take over Mr. Corsia’s position, started working at the Company on May 1, 2023, and he will be appointed as VP Supply Chain as of July 1, 2023.

3.2. On May 4, 2023, Mr. Shay Aba gave notice that he will be concluding his role as one of the Company’s directors on May 31, 2023. For more information, see the immediate report published by the Company on May 7, 2023 (Ref. No: 2023-01-048510), included herein by way of reference.

On May 9, 2023, the Company published a notice for the convention of an extraordinary general meeting for the appointment of Mr. Erez Nahum to serve as a new director in place of Mr. Aba. The meeting is scheduled to be held on June 13, 2023. For more information, see the immediate report published by the Company on May 7, 2023 (Ref. No: 2023-01-042529), included herein by way of reference.

Chapter B

BOARD OF DIRECTORS' REPORT ON THE STATE OF THE COMPANY’S AFFAIRS FOR THE THREE MONTHS PERIOD ENDING ON MARCH 31, 2023

MAX
Dream Big, Pay Small

Max Stock Ltd.

Board of Directors' Report on the State of the Company's Affairs
For the three-month period ended on March 31, 2023

The board of directors of Max Stock Ltd. (the "**Company**") hereby publishes the board of directors' report on the state of the Company's affairs for the period ended on March 31, 2023 (the "**reporting period**"), in accordance with the Securities Regulations (Periodic and Immediate Reports), 1970 (the "**Regulations**").

This board report is presented in an abbreviated manner and has been written under the assumption that the readers are able to reference the Company's board of directors' report on the state of the Company's affairs for the year ended as of December 31, 2022 (the "**annual board report**"), published on March 20, 2023, together with the Company's 2022 periodic report (Ref. No: 2023-01-024388) (the "**periodic report**").

A. Board's explanations about the state of the Company's business affairs

1. Description of the Company's business affairs

1.1 The Company was incorporated in Israel as a private company on December 16, 2004 under its current name. On November 17, 2015, the Company's name was changed to "Max Management Israel Ltd."; and its name was changed back to its current name - "Max Stock Ltd." on March 10, 2020.

1.2 From incorporation and as of the publication date of this report, the Company has been engaged in a retail business through operating a national "discount" chain-store trading under the name "Max - Fun Shopping" and "Mini Max" which offers a range of household products at attractive prices. As of the date of the report, the Company operates 59 branches throughout Israel, from Kiriat Shmona to Eilat, which are mostly operated by subsidiaries and partially through franchises (the "**Max Chain**" or the "**Chain**").

1.3 For more information regarding the Company's activities and a description of the development of its business affairs, see Section 1.3 of the periodic report.

2. Description of the commercial environment and the Company's commercial trends

2.1 In Q1 2023, the Company continued implementing its growth strategy including the opening of two new branches (which are being operated by subsidiaries) in the cities of Mishor Adumim and Gush Etzion; and it opened another branch operating as a franchise in Tel Aviv.

The Company concurrently continued to develop the establishment of a Max Stock chain in Portugal. The Company opened its first branch in Braga in northern Portugal in May 2023. The impact of the operating activities on adjusted EBITDA[1] in Q1 2023 was a loss of approximately ILS 900 thousands, primarily arising from salary expenses and professional services for establishing the operations.

2.2 In Q1 2023, the Company's sales turnover increased by approximately 11.5%, relative to the same period YoY. The growth in revenues is due to an increase in same store sales (SSS)[2] of approximately 9%, and from the opening of new branches. The increase in SSS is due to an increase in the number of customers visiting the branches, an increase in Purim sales and the timing of the Passover festival relative to Q1 2022.

There was an approximately 3% increase in SSS as of April 30, 2023, a period impacted by the Passover festival, relative to the same period last year.

For more information about the Company's financial and operating metrics for the three-month period ended on March 31, 2023, see Section 7 below.

2.3 Subsequent to the date of the report, in April 2023, the Company opened a new branch in Akko which is operated by a franchise. Similarly, that month the Company closed an owned branch in Jerusalem spanning 1,000 sqm net.

2.4 <u>Impact of inflation and increased interest rates on the Company's activities</u>

In light of the Bank of Israel's increase of the prime interest rate as well as the increase in the consumer price index as a result of global inflation in general and particularly local inflation, the Company has examined these impacts on its liabilities and financial results. The Company has liabilities to banking corporations which are linked to the prime interest rate totaling

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[1] Adjusted EBITDA - EBITDA while offsetting the impact of Standard 16 and expenses for share-based payments recognized during the reporting period. For additional details, see Section 7 below.

[2] Same Store Sales - a figure which reflects the scope of the Chain's sales in stores which have been open for at least one year, and which compares the sales in stores during the period relative to the same period the previous year.For additional details see Section 7.1 below.

approximately ILS 46,026 thousands as of March 31, 2023, and it pays rent for the Chain's store branches and headquarters which are generally linked to the consumer price index. The Company has examined the impact of the increased prime interest rate and consumer price index and has found that these did not have a material impact on the Company's results.

For more information about the impact of inflation and increased interest rates on the Company's activities, see Section 1.8.2 of Chapter A of the periodic report.

The possible impact the increased prime interest rate and consumer price index may have on the Chain's operations, as described above, constitutes "forward-looking information," as defined in the Securities Law, 1968, the realization of which is uncertain and subject to factors beyond the Company's control. This information is primarily based on information existing on the date of this report as well as on assessments made by the Company which are, inter alia, based on the market experience garnered by the Company's management (including in environments entailing an economic crisis).

It should be clarified that there is no certainty that these assessments will eventuate, either in whole or in part, and they may even be materially different than what is presented above.

2.5 <u>Impact of the increased minimum wage on the Company's operating activities</u>

The minimum wage in Israel changed effective as of April 1, 2023. The Company examined the impact of the increased minimum wage on its results and found that this increase will not have a material impact on the Company's operating results. For more information about the impact of the increased minimum wage on the Company's activities, see Section 1.8.8 of Chapter A of the periodic report.

3. <u>Material events during and after the reporting period</u>

3.1 On February 8, 2023, Moose Holdco Ltd. and Ori Max Ltd. entered into a new shareholders' agreement in place of the shareholders' agreement dated September 10, 2020. Moose Holdco similarly unilaterally informed the Company that it waives half of the management fees it is entitled to under the management agreement, the change shall be effective as of January 1, 2023. For more information see the immediate report published by the Company on February 9, 2023 (Ref. No: 2023-01-013354).

3.2 Adv. Guy Gissin was appointed to serve as one of the Company's directors on March 13, 2023. For more information, see the immediate report published by the Company on March 13, 2023 (Ref. No: 2023-01-026694).

3.3 On May 4, 2023, Mr. Shay Aba resigned from serving as one of the Company's directors. Mr. Aba ended his role on May 31, 2023. For more information, see the immediate report published by the Company on May 7, 2023 (Ref. No: 2023-01-048510). On May 9, 2023, the Company published a general meeting notice for the appointment of Mr. Erez Nahum to serve on the Company's board of directors (Ref. No: 2023-01-042529).

3.4 Distribution of dividends to minority interest holders - see Note 4B to the consolidated financial statements.

3.5 Distribution of dividends - see Note 4C to the Company's interim consolidated financial statements as of March 31, 2023 (the "**consolidated financial statements**").

For additional details about material events following the date of the report of financial position, see Note 4 to the consolidated financial statements.

4. Financial Position

	As of March 31		As of December 31
	2023	2022	2022
	ILS 000's		
Trade receivables (customers)	101,346	90,461	81,790
Inventory	163,516	219,141	159,354
Other current assets	134,024	76,104	99,890
Non-current assets	755,993	675,571	654,289
Total Assets	**1,154,879**	**1,061,277**	**995,323**
Trade payables (liabilities to vendors, suppliers and service providers)	130,407	102,544	97,009
Other current liabilities	186,410	146,175	114,350
Non-current liabilities	669,471	591,327	569,726
Total shareholders' equity	168,591	221,231	214,238
Total Liabilities and Equity	**1,154,879**	**1,061,277**	**995,232**

Assets

4.1 Trade receivables (customers) - The balance of trade receivables as of March 31, 2023, totaled approximately ILS 101,346 thousands, compared to approximately ILS 81,790 thousands as of December 31, 2022. The increase is primarily attributable to an increase in the scale of the Company's operating activities and higher sales turnover in March 2023 relative to December 2022.

4.2 Inventory - The balance of inventory as of March 31, 2023, totaled approximately ILS 163,516 thousands, compared to approximately ILS 159,354 thousands as of December 31, 2022. The increase is primarily attributable to the opening of new branches.

4.3 Other current assets - The balance of other current assets as of March 31, 2023, totaled approximately ILS 134,024 thousands, compared to approximately ILS 99,890 thousands as of December 31, 2022. The increase is primarily attributable to the cash and cash equivalents line item against a decrease in current tax rebates.

4.4 Non-current assets - The balance of non-current assets as of March 31, 2023, totaled approximately ILS 755,993 thousands, compared to approximately ILS 654,289 thousands as of December 31, 2022. The increase is primarily attributable to right-of-use assets for leasing new branches and investments in fixed assets (property, plant and equipment), mainly in the Chain's new branches.

Liabilities

4.5 Trade payables (liabilities to vendors, suppliers and service providers) - The balance of trade payables (liabilities to vendors, suppliers and service providers) as of March 31, 2023, totaled approximately ILS 130,407 thousands, compared to approximately ILS 97,009 thousands as of December 31, 2022. The increase is primarily attributable to the increase in the scale of the Company's operations and from a change in the terms of payment to suppliers.

4.6 Other current liabilities - The balance of other current liabilities as of March 31, 2023, totaled approximately ILS 186,410 thousands, compared to approximately ILS 114,350 thousands as of December 31, 2022. The increase is primarily attributable to a dividend totaling ILS 60,000 thousands payable to the Company's shareholders, and a dividend totaling ILS 2,370 thousands to minority interest holders.

4.7 Non-current liabilities - The balance of non-current liabilities as of March 31, 2023, totaled approximately ILS 669,471 thousands, compared to approximately ILS 569,726 thousands as of December 31, 2022. The increase is attributable to an increase in lease liabilities recognized in Q1 2023.

Equity

4.8 The shareholders' equity as of March 31, 2023, totaled approximately ILS 168,591 thousands, compared to approximately ILS 214,238 thousands as of December 31, 2022. The decrease is primarily attributable to the distribution of a dividend to the Company's shareholders totaling ILS 60,000 thousands, from the distribution of a dividend to minority interest holders totaling approximately ILS 9,730 thousands, which was partially offset by an increase totaling approximately ILS 24,077 thousands, attributable to the Company's profits including for the current quarter.

5. Operating Results

Presented below is an overview of operating results by period (ILS 000's):

	For the three-month period ended March 31				For the year ended December 31	
	2023	***% Turnover***	**2022**	***% Turnover***	**2022**	***% Turnover***
Revenues from sales	279,622		250,876		1,048,801	
Cost of goods sold	163,816		153,061		630,491	
Gross profit	**115,806**	***41.4%***	**97,815**	***38.9%***	**418,310**	***39.9%***
Sales and marketing expenses	65,271		57,601		246,084	
General and administrative expenses	13,445		12,514		49,865	
Other income	-		(283)		(1,585)	
Other expenses	-		112		500	
Operating profit	**37,090**	***13.3%***	**27,871**	***11.1%***	**123,446**	***11.8%***
Financing revenues	(1,352)		(1,536)		(2,664)	
Financing expenses	6,739		5,982		21,471	
Profit before taxes on income	**31,703**	***11.3%***	**23,425**	***9.3%***	**104,639**	***10%***
Taxes on income	7,598		6,392		26,922	
Net profit	**24,105**	***8.6%***	**17,033**	***6.8%***	**77,717**	***7.4%***
Remeasurement of defined benefit plan	-		-		240	
Translating financial statements from operating currency to presentation currency	(28)		-		7	
Total comprehensive profit	**24,077**	***8.6%***	**17,033**	***6.8%***	**77,964**	***7.4%***
Net profit attributable to:						
Shareholders of the Company	20,923		13,961		64,163	
Minority interests	3,182		3,072		13,554	
	24,105		17,033		77,717	
Adjustments:						
Share-based payments	6		3,855		11,339	
Adjusted net profit	**24,111**	***8.6%***	**20,888**	***8.3%***	**89,056**	***8.5%***
Adjusted net profit attributable to:						
Shareholders of the Company	20,929		17,816		75,502	
Minority interests	3,182		3,072		13,554	
	24,111		20,888		89,056	

5.1 Revenues

The Company's revenues in the first three months of 2023 increased by approximately 11.5%, totaling approximately ILS 279,622 thousands, compared to approximately ILS 250,876 thousands in the same period last year. The growth in the Company's revenues is due to an increase in same store sales (SSS) of approximately 9%, and from the opening of new branches.The improvement in SSS is due to an increase in the number of customers visiting the branches, an increase in Purim sales and the timing of the Passover festival. There was an approximately 3% increase in SSS as of April 30, 2023, which includes two festival periods, relative to the same period last year.

5.2 Gross profit

The gross profit rate in the first three months of 2023 was approximately 41.4% of sales turnover, compared to approximately 38.9% in the same period last year. The gross profit in the first three months of 2023 totaled approximately ILS 115,806 thousands, compared to approximately ILS 97,815 thousands in the same period last year, an increase of approximately 18.4%. The increase in gross profitability in Q1 2023 relative to the gross profitability in the same period year-over-year is attributable to a decline in international freight prices along with an improvement in inventory management and a decrease in storage utilizations.

5.3 Sales and marketing expenses

Sales and marketing expenses in the first three months of 2023 totaled approximately ILS 65,271 thousands, approximately 23.3% of sales turnover, compared to approximately ILS 57,601 thousands in the same period last year, approximately 22.9% of the sales turnover. The increase in expenses is primarily attributable to an increase in advertising and store maintenance expenses, at a higher expense rate of sales, municipality [*Arnona*] taxes and depreciation of right of use assets arising from the opening of new branches.

5.4 General and administrative expenses

General and administrative expenses in the first three months of 2023 totaled approximately ILS 13,445 thousands, approximately 4.8% of sales turnover, compared to approximately ILS 12,514 thousands in the same period last year, approximately 5% of the sales turnover. The increase in general and administrative expenses is primary attributable to the launch of operating activities in Portugal totaling approximately ILS 1,000 thousands.

5.5 Other income

The Company had no other income in the first three months of 2023 as opposed to other income totaling approximately ILS 283 thousands in the same period last year, which derived from a profit from the impairment of lease liabilities.

5.6 Other expenses

The Company had no other expenses in the first three months of 2023 as opposed to other expenses totaling approximately ILS 112 thousands in the same period last year, which derived from a loss from the impairment of fixed property.

5.7 Financing revenues

In the first three months of 2023, financing revenues totaled approximately ILS 1,352 thousands, compared to financing revenues totaling approximately ILS 1,536 thousands in the same period last year. Financing revenues derive from a profit from USD hedging transactions.

5.8 Financing expenses

In the first three months of 2023, financing expenses totaled approximately ILS 6,739 thousands, compared to financing expenses totaling approximately ILS 5,982 thousands in the same period last year. The increase in financing expenses in the reporting period relative to the same period last year primarily results from an increase in the interest rate for loans from banking corporations.

5.9 Adjusted net profit

The total adjusted net profit in the first three months of 2023 was approximately ILS 24,111 thousands, approximately 8.6% of sales turnover, compared to an adjusted net profit of approximately ILS 20,888 thousands in the same period last year, approximately 8.3% of sales turnover.

6. Liquidity

	For the three-month period ended March 31		For the year ended December 31
	2023	2022	2022
		ILS 000's	
Cash-flow from operating activities	64,219	24,255	201,013
Cash-flow utilized for investment activities	(6,288)	(10,060)	(26,653)
Cash-flow utilized for financing activities	(21,552)	(3,684)	(144,167)
Effect of exchange rate volatility on the balance of cash and cash equivalents	28	-	-
Increase in cash and cash equivalents	**36,407**	**10,511**	**30,193**

6.1 Cash-flow from operating activities

Net cash deriving from operating activities in the first three months of 2023 totaled approximately ILS 64,219 thousands, compared to approximately ILS 24,255 thousands in net cash deriving from operating activities in the same period last year. The increase in cash-flow from operating activities is primarily attributable to a decline in the Company's working capital relative to the same period last year and from an increase in net profit.

6.2 Cash-flow from investment activities

Net cash utilized for investment activities in the first three months of 2023 totaled approximately ILS 6,288 thousands, compared to approximately ILS 10,060 thousands in net cash utilized for investment activities in the same period last year. The change is primarily attributable to a decline in the acquisition of fixed property in the reporting period.

6.3 Cash-flow from financing activities

Net cash utilized for financing activity in the first three months of 2023 totaled approximately ILS 21,551 thousands, compared to approximately ILS 3,684 thousands in net cash utilized for financing activity in the same period last year. The change is primarily attributable to a decrease in obtaining long-term loans from banking corporations, an increase in lease payments and from an increase in dividends paid to minority interest holders.

7. Financial and Operational Key Performance Indicators (KPIs)

7.1 As of the publication date of the report, the Company's management utilizes a number of operating and financial metrics, which are not based on generally accepted accounting principles, in order to assess, measure, track and present the Company's operating and financial performance. These metrics, which are included in managerial reports and investor presentations being submitted concurrently with this report, should not be understood as being an alternative to the information included in the Company's financial statements. Below is a description of the metrics:

KPI	For the three-month period ended March 31		For the year ended December 31
	2023	2022	2022
The rate of change in SSS (same store sales)[3]	8.6%	(9.7%)	(1.5%)
Rate of change in the average basket price[3] - in an owned store	1.8%	(2.9%)	3.2%
Rate of change in the average basket price[3] - in a franchised store	1.9%	(11.3%)	0.4%
EBITDA (ILS 000's)	54,545	42,664	187,187
Adjusted EBITDA (ILS 000's)	36,743	31,802	136,956

[3] The rate of change is relative to the same period last year.

KPI	Calculation / components	Objective of the KPI
EBITDA	Operating profit, neutralizing depreciation and amortization and other expenses/revenues.	A commonly used KPI, which serves as an indicator of the cash-flow being derived from the Company's operating activities, offsetting the impact of the Company's capital structure, the impact of one-off or exceptional events in the Company's affairs, and the impact of taxes and financing.
Adjusted EBITDA	EBITDA while offsetting the impact of Standard 16 and expenses for share-based payments recognized during the reporting period.	The objective of using this KPI is to present the Company's EBITDA while offsetting the impact of the application of Standard 16 and expenses for share-based payments recognized during the reporting period. For a description of the adjustments made to net profit and adjusted EBITDA, see the table below.
Same Store Sales	The rate of change in sales in stores owned by the Company and operating for a period of one or more calendar years.	This datapoint, which is generally presented as a percentage relative to the preceding period, enables the Company's management to measure the annual (periodic) change in sales, neutralizing stores that have been open for less than one year, and presents a reliable picture of the change in business activity for the Company's management without any distortion from stores which have not yet established themselves and been operating for a full year.
Rates of change in the average basket price	The rate of change between the total calculated by dividing the total sum of all transactions by the number of transactions during the reporting period relative to a corresponding or previous reporting period.	This metric presents the Company's management with a picture of the rate of increase or decline in the average amount customers spend on one occasion, and enables the Company's management to consider ways to differentiate different shopping quantities and to increase marketing.

7.2 Presented below is a description of the adjustments made to the Company's gross profit, EBITDA, and adjusted EBITDA (ILS 000's):

	For the three-month period ended on March 31		**For the year ended December 31**
	2023	**2022**	**2022**
Net profit	24,105	17,033	77,717
Tax expenses	7,598	6,392	26,922
Financing expenses, net	5,387	4,446	18,807
Depreciation and amortization	17,455	14,964	64,826
Other expenses, net	-	(171)	(1,085)
EBITDA	**54,545**	**42,664**	**187,187**
Adjustments to adjusted EBITDA[4]	(17,802)	(10,862)	(50,231)
Adjusted EBITDA	**36,743**	**31,802**	**136,956**

[4] Adjusted EBITDA - see Section 7.1 above.

8. Sources of financing

8.1 The Company primarily finances its operations from its operating activities and from credit from banking corporations.

8.2 Banking credit

The balance of credit obtained by the Company from banking corporations (including current maturities) as of March 31, 2023, totaled approximately ILS 46,026 thousands, compared with a total amount of approximately ILS 77,633 thousands as of March 31, 2022. The decrease in the balance of credit from banking corporations primarily derives from the net repayment of loans by the Company in light of its increased cash-flow from operating activities.

8.3 Customer credit and vendor credit

The Company increased the days of credit it receives from its suppliers. There were no material changes in the days of credit given by the Company to its customers relative to that set forth in the annual board report.

8.4 Management of financial risks

For more information about the management of the Company's financial risks, see Note 16D to the annual financial statements.

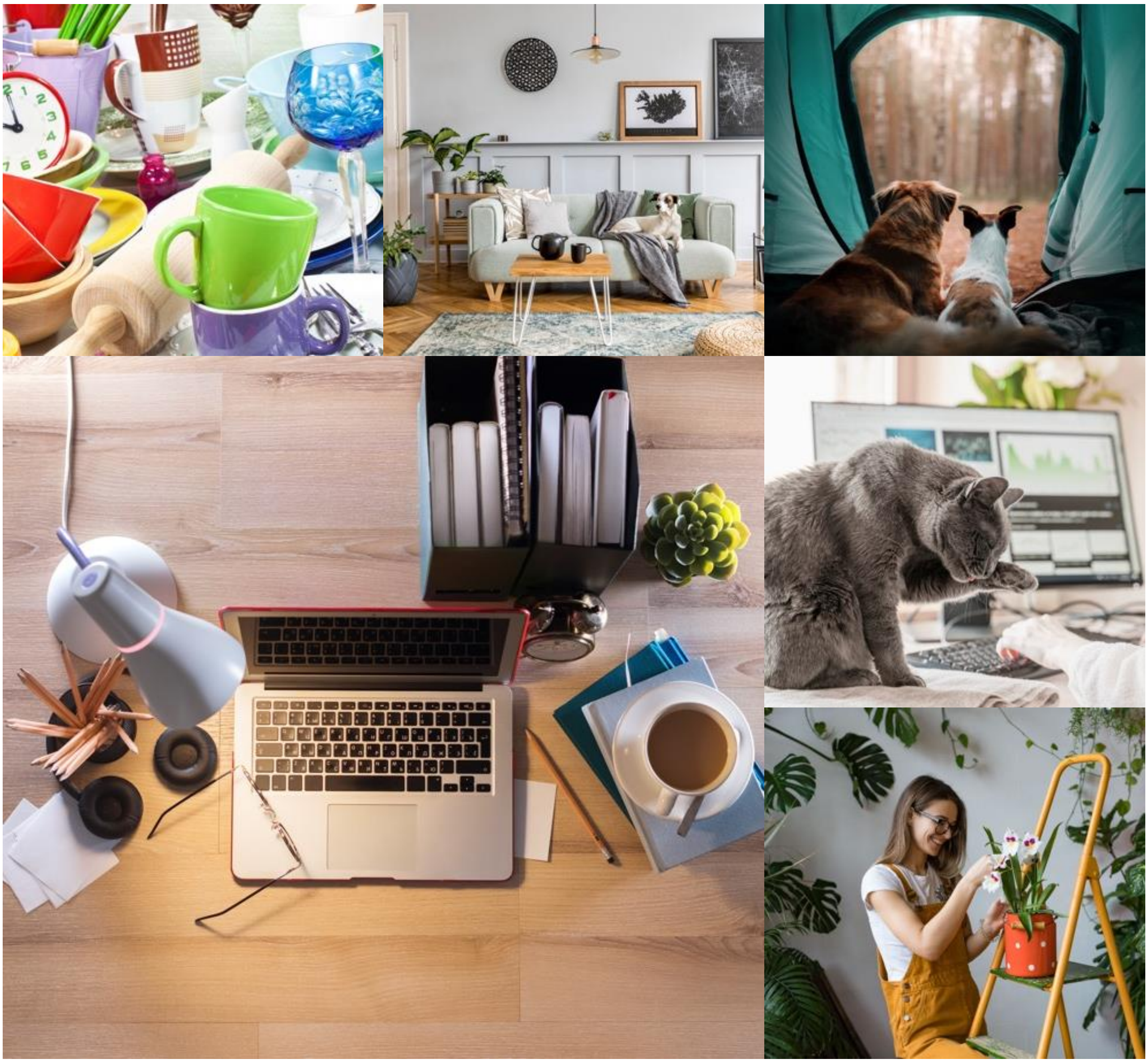
May 22, 2023

Zehavit Cohen	**Ori Max**
Board Chairperson	**CEO**

Addendum A to the Board of Directors Report - A linkage adjusted balance sheet as of March 31, 2023 (ILS 000's)

	ILS	USD	EUR	Total
Current assets				
Cash and cash equivalents	110,114	5,514	1,313	116,941
Trade receivables (customers)	101,346	-	-	101,346
Current tax rebates	5,575	-	-	5,575
Accounts receivable and credit balances	10,832	-	236	11,068
Financial derivatives	-	440	-	440
Inventory	163,516	-	-	163,516
	391,383	5,954	1,549	398,886
Non-current assets				
Long-term deposit	135	-	118	253
Fixed assets (property, plant and equipment), net	93,083	-	-	93,083
Long-term loan	-	-	393	393
Right-of-use assets, net	650,776	-	-	650,776
Deferred taxes	11,488	-	-	11,488
	755,482	-	511	755,993
	1,146,865	**5,954**	**2,060**	**1,154,879**
Current liabilities				
Credit from banking corporations	22,880	-	-	22,880
Lease liabilities	53,485	-	-	53,485
Trade payables (liabilities to vendors, suppliers and service providers)	112,865	16,285	1,257	130,407
Current taxes payable	3,286	-	-	3,286
Accounts payable and debit balances	44,389	-	-	44,389
Dividend payable	62,370	-	-	62,370
	299,275	16,285	1,257	316,817
Non-current liabilities				
Loans from banking corporations	23,146	-	-	23,146
Lease liabilities	643,289	-	-	643,289
Loan from a shareholder of a subsidiary	-	-	393	393
Liabilities for employee benefits	2,643	-	-	2,643
	669,078	-	393	669,471
Equity				
Equity attributable to Company's shareholders	162,975	-	-	162,975
Minority interests	5,616	-	-	5,616
Total equity	168,591	-	-	168,591
	1,136,944	**16,285**	**1,650**	**1,154,879**

The above figures represent the Group's comprehensive linkage adjusted balance sheet. The treatment of foreign exchange exposure was done based on Israel as the region, due to the fact that it is Israel's currency differentials which impact the financing costs/revenues in the report on profit and loss.



Chapter C

INTERIM CONSOLIDATED FINANCIAL STATEMENT AS OF MARCH 31, 2023

Max Stock Ltd.

Interim Consolidated Financial Statements

As of March 31, 2023

Unaudited

Max Stock Ltd.

Interim Consolidated Financial Statements as of March 31, 2023

Unaudited

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Auditor's Review Report to the Shareholders of
Max Stock Ltd.

Preface

We have reviewed the attached financial information for Max Stock Ltd. (hereinafter - the Company)and the subsidiaries (hereinafter – the Group), including the condensed consolidated statement of financial position as of March 31, 2023, as well as the condensed consolidated statements of profit and loss and other comprehensive profit, changes to equity and cash-flow for the three-month period ending on the same date. The board of directors and management are responsible for the preparation and presentation of financial information for this interim period, pursuant to International Accounting Standard IAS 34, "Interim Financial Reporting," and are also responsible for the preparation of financial information for this interim period, according to Chapter D of the Securities Regulations (Periodic and Immediate Reports), 1970. Our responsibility is to express a conclusion regarding the financial information for this interim period, based on our review.

Scope of the Review

We conducted our review in accordance with Review Standard (Israel) no. 2410 of the Institute of Certified Public Accountants in Israel, "Review of Interim Financial Information Prepared by the Entity's Auditor". A review of interim financial information includes making inquiries, particularly with the people responsible for financial and accounting matters, and performing analytical and other review procedures. A review is significantly limited in scope relative to an audit conducted in accordance with generally accepted accounting standards in Israel, and therefore does not allow us to reach a level of assurance that we have become aware of all material issues which may have been identified in an audit. We are therefore not expressing an audit opinion.

Conclusion

Based on our review, nothing has come to our attention which would lead us to believe that the above financial information was not prepared, in all material respects, in accordance with IAS 34.

In addition to that set forth in the preceding paragraph, based on our review, nothing has come to our attention which would lead us to believe that the above financial information does not fulfill, in all material respects, the disclosure requirements set forth in Section D of the Securities Regulations (Periodic and Immediate Reports), 1970.

Respectfully,

Haifa,
May 22, 2023

Kost Forer Gabbay & Kasierer
Auditors

Condensed Consolidated Statements of Financial Position

	As of March 31		As of December 31
	2023	2022	2022
	Unaudited		Audited
	ILS 000's		
Current Assets			
Cash and cash equivalents	116,941	60,852	80,534
Trade receivables (customers)	101,346	90,461	81,790
Current tax rebates	5,575	4,682	8,484
Accounts receivable and credit balances	11,068	10,248	10,872
Financial derivatives	440	322	-
Inventory	163,516	219,141	159,354
	398,886	385,706	341,034
Non-current assets			
Long-term deposit	253	160	248
Fixed assets (property, plant and equipment), net	93,083	84,566	90,147
Long-term loans	393	-	-
Right-of-use assets	650,776	580,406	552,840
Deferred taxes	11,488	10,439	11,054
	755,993	675,571	654,289
	1,154,879	**1,061,277**	**995,323**
Current liabilities			
Credit from banking corporations	22,880	48,940	25,395
Lease liabilities	53,485	61,876	52,397
Trade payables (liabilities to vendors, suppliers and service providers)	130,407	102,544	97,009
Current taxes payable	3,286	1,470	2,733
Financial derivatives	-	-	82
Dividend payable	62,370	-	-
Accounts payable and debit balances	44,389	33,889	33,743
	316,817	248,719	211,359
Non-Current Liabilities			
Loans from banking corporations	23,146	28,693	22,167
Lease liabilities	643,289	560,100	544,916
Loan from a shareholder of a subsidiary	393	-	-
Liabilities for employee benefits	2,643	2,534	2,643
	669,471	591,327	569,726
Equity			
Equity attributable to Company's shareholders	162,975	205,892	202,067
Minority interests	5,616	15,339	12,171
Total equity	168,591	221,231	214,238
	1,154,879	**1,061,277**	**995,323**

May 22, 2023			
Financial statements approval date	Zehavit Cohen Chairperson of the Board of Directors	Ori Max Director and CEO	Nir Dagan Deputy CEO and CFO

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

Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Profit

	For the period of three months ended March 31		For the year ended December 31
	2023	2022	2022
	Unaudited		Audited
	ILS 000's		
Revenues from sales	279,622	250,876	1,048,801
Cost of goods sold	163,816	153,061	630,491
Gross profit	115,806	97,815	418,310
Sales and marketing expenses	65,271	57,601	246,084
General and administrative expenses	13,445	12,514	49,865
Other income	-	(283)	(1,585)
Other expenses	-	112	500
Operating profit	37,090	27,871	123,446
Financing revenues	(1,352)	(1,536)	(2,664)
Financing expenses	6,739	5,982	21,471
Profits before taxes on income	31,703	23,425	104,639
Taxes on income	7,598	6,392	26,922
Net profit	24,105	17,033	77,717
Total other comprehensive profit (loss):			
Amounts not to be reclassified to profit or loss:			
Translating financial statements from operating currency to presentation currency	(28)	-	7
Remeasurement of defined benefit plan	-	-	240
Total comprehensive profit	24,077	17,033	77,964
Net profit attributable to:			
Shareholders of the Company	20,923	13,961	64,163
Minority interests	3,182	3,072	13,554
	24,105	17,033	77,717
Total comprehensive profit attributable to:			
Shareholders of the Company	20,902	13,961	64,369
Minority interests	3,175	3,072	13,595
	24,077	17,033	77,964
Net profit per share attributable to shareholders of the Company (ILS)			
Base net profit	0.15	0.10	0.45
Diluted net profit	0.15	0.10	0.45

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

Condensed Consolidated Reports of Changes in Equity

	Attributable to the Shareholders of the Company										
	Share capital	Premium for shares	Reserve for share-based payments	Treasury stock	Adjustments from translating financial reports for external operations	Reserve for transactions with minority interest holders	Reserve for remeasurement of defined benefit plans	Profit balance	Total	Minority interests	Total equity
	ILS 000's										
Balance as of January 1, 2023 (audited)	**- (*)**	**42,857**	**22,855**	**(19,900)**	**5**	**(9,411)**	**(243)**	**165,904**	**202,067**	**12,171**	**214,238**
Net profit	-	-	-	-	-	-	-	20,923	**20,923**	3,182	**24,105**
Total other comprehensive loss	-	-	-	-	(21)	-	-	-	**(21)**	(7)	**(28)**
Cost of share-based payments	-	-	6	-	-	-	-	-	**6**	-	**6**
Exercise of options	-	346	(346)	-	-	-	-	-	**-**	-	**-**
Dividend to Company shareholders	-	-	-	-	-	-	-	(60,000)	**(60,000)**	-	**(60,000)**
Dividend to minority interest holders	-	-	-	-	-	-	-	-	**-**	(9,730)	**(9,730)**
Balance as of March 31, 2023	**- (*)**	**43,203**	**22,515**	**(19,900)**	**(16)**	**(9,411)**	**(243)**	**126,827**	**162,975**	**5,616**	**168,591**

	Attributable to the Shareholders of the Company										
	Share capital	Premium for shares	Reserve for share-based payments	Treasury stock	Adjustments from translating financial reports for external operations	Reserve for transactions with minority interest holders	Reserve for remeasurement of defined benefit plans	Profit balance	Total	Minority interests	Total equity
	ILS 000's										
Balance as of January 1, 2022 (audited)	**- (*)**	**36,526**	**17,847**	**-**	**-**	**(7,594)**	**(444)**	**141,741**	**188,076**	**12,534**	**200,610**
Net profit	-	-	-	-	-	-	-	13,961	**13,961**	3,072	**17,033**
Cost of share-based payments	-	-	3,855	-	-	-	-	-	**3,855**	-	**3,855**
Dividend to minority interest holders	-	-	-	-	-	-	-	-	**-**	(267)	**(267)**
Balance as of March 31, 2022	**- (*)**	**36,526**	**21,702**	**-**	**-**	**(7,594)**	**(444)**	**155,702**	**205,892**	**15,339**	**221,231**

(*) The balance is less than ILS 1 thousand.

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

Condensed Consolidated Reports of Changes in Equity

	Attributable to the Shareholders of the Company										
	Share capital	Premium for shares	Reserve for share-based payments	Treasury stock	Adjustments from translating financial reports for external operations	Reserve for transactions with minority interest holders	Reserve for remeasurement of defined benefit plans	Profit balance	Total	Minority interests	Total equity
	ILS 000's										
Balance as of January 1, 2022	**- (*)**	**36,526**	**17,847**	**-**	**-**	**(7,594)**	**(444)**	**141,741**	**188,076**	**12,534**	**200,610**
Net profit	-	-	-	-	-	-	-	64,163	**64,163**	13,595	**77,717**
Other comprehensive profit	-	-	-	-	5	-	201	-	**206**	41	**247**
Acquisition of minority rights	-	-	-	-	-	(1,817)	-	-	**(1,817)**	(661)	**(2,478)**
Minority interests created for a company first being consolidated	-	-	-	-	-	-	-	-	**-**	45	**45**
Cost of share-based payments	-	-	11,339	-	-	-	-	-	**11,339**	-	**11,339**
Exercise of options	-	6,331	(6,331)	-	-	-	-	-	**-**	-	**-**
Buyback of Company shares	-	-	-	(19,900)	-	-	-	-	**(19,900)**	-	**(19,900)**
Dividend to Company shareholders	-	-	-	-	-	-	-	(40,000)	**(40,000)**	-	**(40,000)**
Dividend to minority interest holders	-	-	-	-	-	-	-	-	**-**	(13,342)	**(13,342)**
Balance as of December 31, 2022	**- (*)**	**42,857**	**22,855**	**(19,900)**	**5**	**(9,411)**	**(243)**	**165,904**	**202,067**	**12,171**	**214,238**

(*) The balance is less than ILS 1 thousand.

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

Condensed Consolidated Statements of Cash-Flows

	For the period of three months ended March 31		For the year ended December 31
	2023	2022	2022
	Unaudited		Audited
	ILS 000's		
Cash-Flows from Operating Activities			
Net profit	24,105	17,033	77,717
Adjustments required to present cash-flows from operating activities (a)	40,114	7,222 (*)	123,296
Net cash deriving from operating activities	64,219	24,255	201,013
Cash-Flows from Investment Activities			
Acquisition of fixed assets (property, plant and equipment)	(5,895)	(10,060)	(26,748)
Proceeds from sale of fixed assets	-	-	25
Repayment of deposit to lessor	-	-	25
Investment in a subsidiary first consolidated (b)	-	-	45
Long-term loan	(393)	-	-
Net cash used for investment activities	(6,288)	(10,060) (*)	(26,653)
Cash-Flows from Financing Activities			
Obtaining long-term loans from banking corporations	5,250	12,000	17,000
Obtaining short-term loans from banking corporations	-	623	11,000
Repayment of long-term loans from banking corporations	(5,286)	(5,491)	(21,731)
Repayment of short-term loans from banking corporations	(1,500)	-	(29,208)
Lease payments	(12,940)	(10,549)	(45,508)
Buyback of Company shares	-	-	(19,900)
Receipt of a loan from a shareholder of a subsidiary	284	-	-
Dividend paid to minority interest holders	(7,360)	(267)	(13,342)
Dividend paid to Company shareholders	-	-	(40,000)
Acquisition of minority rights	-	-	(2,478)
Net cash used in financing activities	(21,552)	(3,684)	(144,167)
Effect of exchange rate volatility on the balance of cash and cash equivalents	28	-	-
Increase in cash and cash equivalents	36,407	10,511	30,193
Balance of cash and cash equivalents at beginning of period	80,534	50,341	50,341
Balance of cash and cash equivalents at the end of the period	116,941	60,852	80,534

(*) Reclassified.

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

Condensed Consolidated Statements of Cash-Flows

	For the period of three months ended March 31		For the year ended December 31
	2023	2022	2022
	Unaudited		Audited
	ILS 000's		
a) Adjustments required to present cash flows from operating activities:			
Adjustments to the profit or loss items:			
Depreciation and amortization	17,455	14,964	64,826
Financing expenses, net	5,909	5,370	19,327
Profit from de-recognizing lease liabilities	-	(283)	(1,585)
Increase in fair value of financial derivatives	(522)	(924)	(520)
Cost of share-based payments	6	3,855	11,339
Change in liabilities for employee benefits, net	-	-	349
Taxes on income	7,598	6,392	26,922
Capital loss	-	112	500
	30,446	29,486	121,158
Changes in property and liability items:			
Increase in customers	(19,556)	(14,814)	(6,143)
Increase in receivables and credit balances	(176)	(342)	(741)
Decrease (increase) in inventory	(4,135)	(5,485)	54,302
Increase in trade payables (liabilities to vendors, suppliers and service providers)	33,371	9,945	4,410
Proceeds from exercising financial derivatives	483	612 (*)	2,069
Increase in accounts payable and debit balances	10,642	4,435	3,955
	20,629	(5,649)	57,852
Cash paid during the year for:			
Interest paid	(6,392)	(5,982)	(21,396)
Taxes paid, net	(4,569)	(10,633)	(34,318)
Total adjustments required to present cash-flows deriving from operating activities	40,114	7,222 (*)	123,296
b) Investment in a subsidiary first consolidated:			
Assets and liabilities of the consolidated company as of the acquisition date:			
Working capital (excluding cash and cash equivalents)	-	-	(113)
Long-term deposit	-	-	113
Minority interests	-	-	45
	-	-	45
c) Non-cash material activity:			
Recognition of a right-of-use asset against a lease liability	112,019	63,700	84,882
Derecognizing a right-of-use asset against a lease liability	-	(3,817)	(11,233)
Dividend declared but not yet paid to Company shareholders	60,000	-	-
Dividend declared but not yet paid to minority interest holders	2,370	-	-

(*) Reclassified.

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

NOTE 1: GENERAL

A. General description of the Group and its activities:

Max Stock Ltd. (hereinafter – the “Company”) was incorporated in Israel as a private company on December 16, 2004. On November 17, 2015, the Company’s name was changed to “Max Management Israel Ltd.” and on March 10, 2020, its name was changed back to its current name - “Max Stock Ltd.”. On September 14, 2020, the Company’s shares were first offered to the public through a tender offer on the Tel Aviv Stock Exchange Ltd. (“TASE”) under a tender offer prospectus and shelf prospectus and the Company became a public company.

From incorporation, the Company has been engaged in a retail business through operating a national “discount” chain of stores trading under the name “Max - Fun Shopping” and “Max 20” which offers a range of household products at attractive prices. The Company operates branches throughout Israel through subsidiaries and franchisees.

B. These financial statements have been prepared in a condensed format as of March 31, 2023, and for the three-month period ended on the same date (hereinafter - the interim consolidated financial statements). These reports should be read in conjunction with the Company’s annual consolidated financial statements as of December 31, 2022, and for the year ending on the same date and the accompanying notes (hereinafter - the annual consolidated financial statements).

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

A. Format of the interim consolidated financial statements

The interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, “Interim Financial Reporting,” and in accordance with the disclosure directives under Chapter D of the Securities Regulations (Periodic and Immediate Reports), 1970.

The accounting policies implemented in preparing the interim consolidated financial statements are consistent with those implemented in preparing the annual consolidated financial statements, other than as set forth below.

B. Initial application of amendments to existing accounting standards

1. Amendment of IAS 8, "Accounting Policies, Changes to Accounting Estimates and Errors"

In February 2021, the IASB issued an amendment to IAS 8, "*Accounting Policies, Changes to Accounting Estimates and Errors*" (the "Amendment"). The objective of the Amendment is to present a new definition for the term “accounting estimates”.

Accounting estimates are defined as "monetary amounts in financial statements that are subject to measurement uncertainty". The Amendment clarifies the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors.

The Amendment is to be applied prospectively for annual reporting periods beginning on or after January 1, 2023 and is applicable to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period.

The above-stated amendment did not have a material impact on the Company’s interim financial statements.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (Cont.)

2. Amendment of IAS 12, "Taxes on Income"

In May 2021, the IASB published an amendment to international accounting standard 12: *Taxes on income* (hereinafter: "IAS 12" or the "Standard"), which reduces the application of the 'initial recognition exemption' (hereinafter: the "**Exemption**") for deferred taxes included in Sections 15 and 24 of IAS 12 (hereinafter: the "**Amendment**").

As part of the guidelines for recognizing deferred tax assets and liabilities, IAS 12 excludes recognizing deferred tax assets and liabilities for certain temporary differences arising from initial recognition of assets and liabilities in certain transactions. The Amendment narrows the application of the Exemption and clarifies that it does not apply to recognizing deferred tax assets and liabilities arising from a transaction which is not a business combination and which generates equal temporary differences in credit and debit, even if they satisfy the Exemption's other conditions.

The Amendment is effective for annual periods from January 1, 2023 with respect to leasing transactions and recognizing decommissioning obligations - the Amendment will be applied from the earliest possible reporting period presented in the financial statements from when the Amendment is first implemented, while imputing the cumulative impact of the initial implementation on the opening balance of retained earnings (or another equity component, if relevant) on such date.

The above-stated amendment did not have a material impact on the Company's interim financial statements.

3. Amendment of IAS 1, "Disclosure of Accounting Policies"

In February 2021, the IASB issued an amendment to IAS 1, *Presentation of Financial Statements* (the "Amendment"). Under the Amendment, companies are required to disclose their material accounting policies in lieu of the current requirement to disclose their significant accounting policies. One of the primary reasons for the Amendment is due to the fact that the term "significant" is not defined by the IFRS, while the term "material" is defined in various standards and particularly under IAS 1.

The Amendment is effective for annual periods from January 1, 2023.

The Amendment did not impact the Company's condensed consolidated interim financial statements; however, the Amendment is anticipated to impact the disclosure of the accounting policy in the Company's consolidated interim financial statements.

NOTE 3: SALES

	For the three-month period ended March 31		For the year ended December 31
	2023	2022	2022
	Unaudited		Audited
	ILS 000's		
Revenues from sales in owned stores	254,714	227,202	960,159
Revenues from sales to franchisees	19,784	20,006	73,251
Total revenues from sales (1)	274,498	247,208	1,033,410
Revenue from commissions/fees	5,124	3,668	15,391
Total revenues	**279,622**	**250,876**	**1,048,801**

(1) Below is a breakdown of revenues from the Company's main product categories:

	For the three-month period ended March 31		For the year ended December 31
	2023	2022	2022
	Unaudited		Audited
	ILS 000's		
Office and school supplies	14,400	12,396	97,096
Toys and baby products	30,154	29,329	134,205
Disposable utensils and party products	39,375	34,522	143,203
Homeware	84,422	72,759	288,730
Apparel	12,269	12,288	65,634
Other	93,878	85,915	304,542
	274,498	**247,208**	**1,033,410**

NOTE 4: MATERIAL EVENTS DURING AND AFTER THE REPORTING PERIOD

A. Amendment to Contingent Liabilities

1. Further to that described in Note 15A to the annual consolidated financial statements regarding an appeal submitted by the Company against the judgment of the Haifa Magistrates Court with respect to a tortious subrogation claim by Clal against one of the Company's former franchisees and others, a date has been scheduled for a consolidated hearing on supplementary oral pleadings on the appeal submitted by the Company and two additional appellants for October 19, 2023.

   At this preliminary stage, and according to the Company's legal advisors, the chances of the appeal are approximately
   50%.

2. Further to that described in Note 15B to the annual consolidated financial statements regarding the Company's claim against two former franchisees in Sderot and Bat Yam, a summation pre-trial hearing was held on April 27, 2023, at which hearing dates were scheduled to examine the parties' affiants for September 2023. The Company has assessed, including on the basis of an opinion obtained from its legal counsel, that it is not possible to assess the prospects of the claim and the financial risk therein at this stage of the claim prior to concluding submission of the case's evidence.

NOTE 4: MATERIAL EVENTS DURING AND AFTER THE REPORTING PERIOD (Cont.)

A. Amendment to Contingent Liabilities (Cont.)

3. Concurrently with the proceedings set forth above in paragraph “2” and as a corollary thereto, and further to that described in Note 15C to the annual consolidated financial statements regarding the submission of a claim by the Company to enforce a separation mechanism stipulated in the shareholders’ agreement between the Company and the company controlled by the shareholder of the franchises, the affiants relevant to this action will also be examined on the dates stated above in section “b”. The Company has assessed, including on the basis of an opinion obtained from its legal counsel, that it is not yet possible to assess the prospects of the claim.

4. Further to that described in Note 15H to the annual consolidated financial statements regarding a motion to certify a claim as a class action against the Company, subsidiaries and a franchise about an alleged failure to install water facilities, a pretrial hearing on the motion was postponed to October 29, 2023. At this preliminary stage it is not yet possible to assess the prospects of the claim.

B. Declaring the distribution of dividends to minority interest holders

During the reporting period, dividend distributions totaling approximately ILS 9,730 thousands were announced for minority interest holders of the Company’s subsidiaries. ILS 7,360 thousands have been paid as of the date of the report on financial position, and ILS 2,370 thousands were paid after said date.

C. Dividend declared

On March 19, 2023, the Company's board of directors approved the distribution of a dividend totaling ILS 60,000 thousands (approximately ILS 0.43 per share), which was paid on April 3, 2023.

D. Establishment of a Max Stock store-chain in Portugal

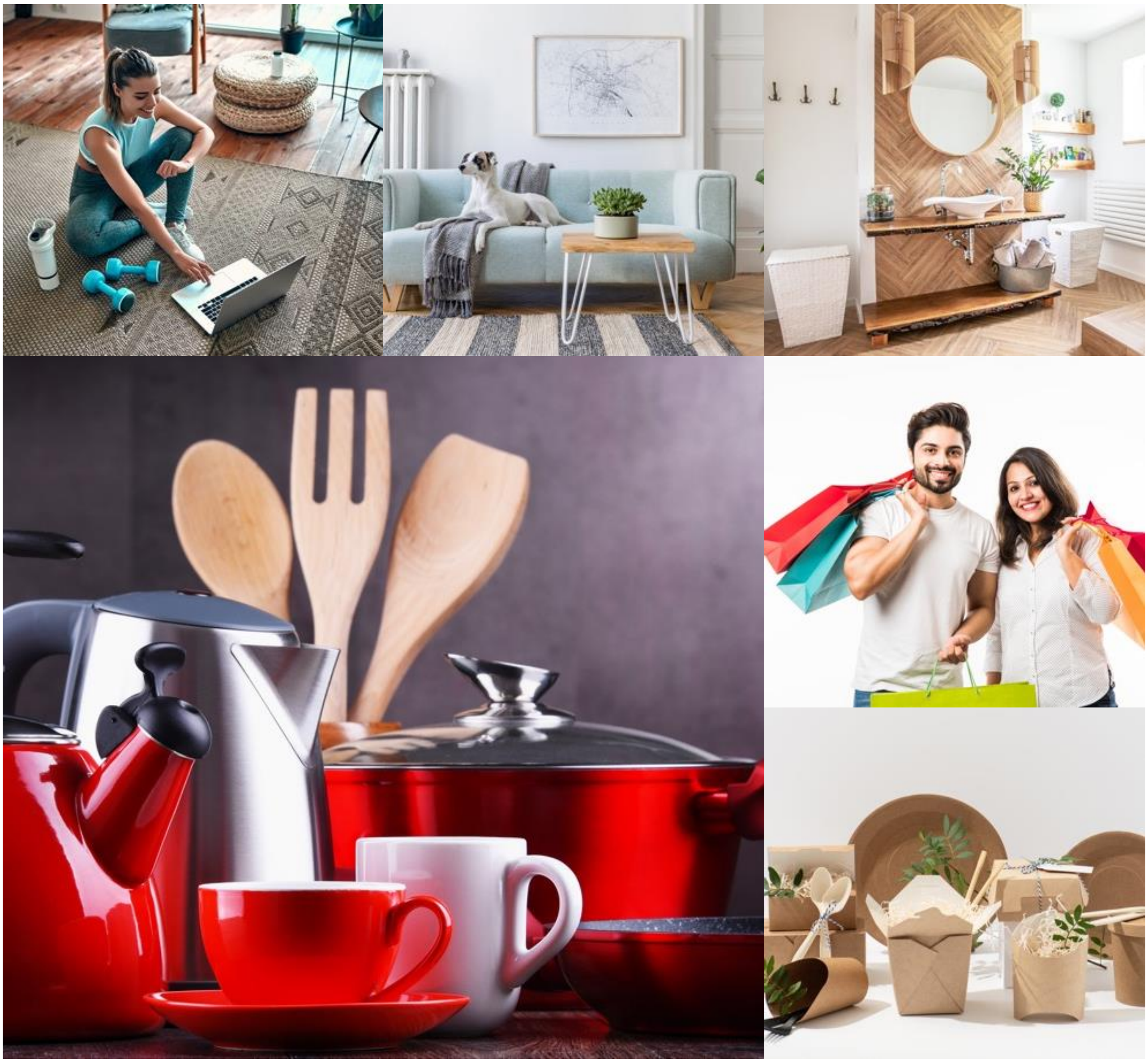
Further to that described in Note 15 to the annual consolidated financial statements regarding the establishment of a Max Stock chain in Portugal, the first store was opened in Braga, Portugal in May 2023.

The Chain’s operations in Portugal are performed by a subsidiary, Max 10 LDA, which is controlled by the Company (75%) and a local partner, Fortera Properties LDA (the “Common Company”). The Common Company is managed by a general manager appointed by the Company, as well as employees of the Common Company in finance, trade, store management and other divisions.

As of March 31, 2023, the Company has provided a loan totaling approximately ILS 393 thousands to the local partner for its share of the financing of the common company.

E. Reduction of Management Fees for the Controlling Shareholder Company

On February 8, 2023, the controlling shareholder company informed the Company that it is unilaterally and irrevocably waiving half of the management fees it is entitled to under the management agreement, whereby, commencing as of January 1, 2023, for each calendar quarter, the controlling shareholder company shall be entitled to quarterly management fees totaling ILS 250,000 per calendar quarter, instead of ILS 500 thousands. The rest of the terms of the management agreement shall remain unchanged.



Chapter D

MANAGERS' DECLARATIONS ON FINANCIAL REPORTING AND DISCLOSURE AS OF MARCH 31, 2023

Attached hereto is the Q1 2023 report on the effectiveness of internal control over financial reporting and disclosure pursuant to Regulation 38C(a) of the Securities Regulations (Periodic and Immediate Reports), 1970:

The management, under the supervision of the board of directors of Max Stock Ltd. (the "**Company**"), is responsible for establishing and maintaining adequate internal control over the Company's financial reporting and disclosure.

For this purpose, the senior officers as of March 31, 2023 are:

1. Ori Max, CEO & Director;
2. Shlomo Cohen, Deputy CEO;
3. Nir Dagan, Deputy CEO & Head of Finance;
4. Oz Corsia, Chief Supply Chain Officer;
5. Ifat Nir-Katz, Chief Legal Officer & Corporate Secretary;
6. Ofir Edri, Chief Chain Stores Officer;

Internal control over the financial reporting and disclosure includes existing Company controls and procedures which were designed by the CEO and the Company's CFO or by anyone under their supervision, or by persons actually performing the above functions, under the supervision of the Company's board of directors, designed to provide reasonable assurance regarding the reliability of the financial reporting and the preparation of the financial statements according to the provisions of applicable law, and to ensure that information that the Company is obligated to disclose in reports published by it under applicable law is collected, processed, summarized and reported in a timely manner and in the format established by law.

The internal control includes, *inter alia*, controls and procedures designed to ensure that information that the Company is required to disclose as aforesaid, is accumulated and forwarded to Company's management, including the Company's CEO and the Company's CFO or anyone actually performing the above functions, to enable timely decision-making concerning disclosure requirements.

Due to its inherent limitations, internal control over the financial reporting and disclosure is not intended to provide absolute assurance that an erroneous presentation or omission of information in the reports will be prevented or detected.

In the annual report regarding effectiveness of the internal control of financial reporting and disclosure that is attached to the periodic report for the period ending on December 31, 2022 (hereinafter - the latest annual report regarding internal control), the board of directors and management have assessed the Company's internal control. Based on the aforesaid assessment, the board of directors and management of the Company have concluded that said control, as of December 31, 2022, is effective.

As of the date of the report, the board of directors and management have not learned of any event or matter that may change the assessment of effectiveness of the internal control, as determined in the latest annual report regarding internal control.

As of the date of the report, based on an assessment of the effectiveness of the internal control in the latest annual report regarding internal control, and based on information of which the management and board of directors has been made aware as stated above, the internal control is effective.

May 22, 2023

Managers' Declarations

CEO's Declaration According to Regulation 38C(d)(1) of the Securities Regulations (Periodic and Immediate Reports), 1970:

I, **Ori Max**, declare that:

(1) I have reviewed the quarterly report of Max Stock Ltd. (the "**Company**") for Q1 2023 (the "**Reports**");

(2) To the best of my knowledge, the Reports do not include any misrepresentation of material fact and did not omit any representation of material fact that is essential in order for the representations included therein, in light of the circumstances in which the same representations are included, to not be misleading with respect to the period of the Reports;

(3) To the best of my knowledge, the financial reports and any other financial information included in the Reports properly reflect, in all material respects, the financial position, the operating results and cash flows of the Company for the dates and periods referred to in the Reports;

(4) I have disclosed to the Company's auditor, to the board of directors and to the audit committee of the Company's board of directors, based on my most recent assessment on the internal control over the financial reporting and disclosure:

a. All significant deficiencies and material weaknesses in the establishment or exercise of the internal control over the financial reporting and disclosure which may reasonably have an adverse effect on the Company's ability to collect, process, summarize or report on financial information in a manner which casts doubt on the reliability of financial reporting and preparation of the financial reports pursuant to the provisions of the law; and

b. Any fraud, either material or immaterial, in which the CEO or anyone directly subordinated to him is involved or any other employee holding a significant position in the internal control over the financial reporting and disclosure is involved;

(5) I, alone or together with others in the Company:

a. Established controls and procedures or ensured that controls and procedures are established and maintained under my supervision, which are designed to ensure that material information concerning the Company, including its consolidated companies as defined in the Securities Regulations (Annual Financial Statements), 2010, is brought to my attention by others in the Company and in the consolidated companies, particularly during the Reports' preparation period; and

b. Established controls and procedures or ascertained that controls and procedures are established and maintained under our supervision, which are designed to provide reasonable assurance regarding the reliability of the financial reporting and preparation of the financial reports pursuant to the provisions of any law, including according to generally accepted accounting principles;

c. No event or matter was brought to my attention which occurred during the period between the latest report (the periodic report as of December 31, 2022) and the date of this report, which is sufficient to change the conclusion arrived at by the board of directors and management regarding the Company's effectiveness of internal control on financial reporting and disclosure.

Nothing stated above derogates from my responsibility or from the responsibility of any other person, pursuant to any law.

Date: May 22, 2023	Ori Max, CEO & Director

CFO's Declaration According to Regulation 38C(d)(2) of the Securities Regulations (Periodic and Immediate Reports), 1970:

I, **Nir Dagan**, declare that:

(1) I have reviewed the interim financial statements and other financial information included in the interim periodic reports of Max Stock Ltd. (the "**Company**") for Q1 2023 (the "**Reports**" or the "**Interim Reports**");

(2) To the best of my knowledge, the interim financial statements and the other financial information included in the Interim Reports do not include any misrepresentation of material fact and did not omit any representation of material fact that is essential in order for the representations included therein, in light of the circumstances in which the same representations are included, to not be misleading with respect to the period of the Reports;

(3) To the best of my knowledge, the interim financial reports and any other financial information included in the Reports for the interim period properly reflect, in all material respects, the financial position, the operating results and cash flows of the Company for the dates and periods referred to in the Reports;

(4) I have disclosed to the Company's auditor, to the board of directors and to the audit committee of the Company's board of directors, based on my most recent assessment on the internal control over the financial reporting and disclosure:

   a. All significant deficiencies and material weaknesses in the establishment or exercise of the internal control over the financial reporting and disclosure to the extent that it refers to the interim financial statements and the other financial information included in the Interim Reports which may reasonably have an adverse effect on the Company's ability to collect, process, summarize or report on financial information in a manner which casts doubt on the reliability of financial reporting and preparation of the financial reports pursuant to the provisions of the law; and -

   b. Any fraud, either material or immaterial, in which the CEO or anyone directly subordinated to him is involved or any other employee holding a significant position in the internal control over the financial reporting and disclosure is involved;

(5) I, alone or together with others in the Company:

   a. Established controls and procedures or ensured that controls and procedures are established and maintained under my supervision, which are designed to ensure that material information concerning the Company, including its consolidated companies as defined in the Securities Regulations (Annual Financial Statements), 2010, is brought to my attention by others in the Company and in the consolidated companies, particularly during the Reports' preparation period; and

   b. Established controls and procedures or ascertained that controls and procedures are established and maintained under my supervision, which are designed to provide reasonable assurance regarding the reliability of the financial reporting and preparation of the financial reports pursuant to the provisions of any law, including according to generally accepted accounting principles;

c. No event or matter was brought to my attention which occurred during the period between the latest report (the periodic report as of December 31, 2022) and the date of this report, referring to the interim financial reports and any other financial information included in the Interim Reports which is sufficient, in my assessment, to change the conclusion arrived at by the board of directors and management regarding the Company's effectiveness of internal control on financial reporting and disclosure.

Nothing stated above derogates from my responsibility or from the responsibility of any other person, pursuant to any law.

Date: May 22, 2023	Nir Dagan, Deputy CEO & Head of Finance