MAX STOCK LTD.

H1/2026 FINANCIAL REPORTS

MAX STOCK HIGHLIGHTS

FIRST SIX MONTHS OF 2026

780M ILS
Revenue

152.9M ILS
Adjusted EBITDA (*)

15.5%
Increase in revenue

85.8M ILS
Net profit

12%
Same Store Sales Growth

47%
Increase in EPS attributable to shareholders

80M ILS
Dividend paid (**)

0.56 ILS
EPS attributable to shareholders

65
Branches

71.5K
Net owned SqM

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

(**) After the reporting date, an additional dividend distribution of NIS 50 million was declared.

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Chapter A

UPDATES TO
DESCRIPITION OF
COMPANY'S
BUSINESS AFFAIRS

Changes and innovations with 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 operated by the Company through subsidiaries and franchisees under the trade names "Max - Fun Shopping" and "Mini Max".

"**Financial Report**" - the Company's consolidated financial statements as of June 30, 2026.

"**Periodic Report**" - the Company's 2025 annual report, published on March 16, 2026 (Ref. No: 2026-01-022777).

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 65 branches.

1.2. In the reporting period, in March 2026, the Chain opened two new owned stores, one in Or Akiva (with a gross area of approximately 1,100 sqm) and the other in Beer Sheva (Mivne complex, with a gross area of approximately 5,900 sqm). In June 2026, the Chain opened a new franchised store in Hod Hasharon.

A new store is expected to open at the end of August 2026 by Ad Halom junction (with a gross area of approximately 2,350 sqm). The Company is also working to expand the branch in Kiriat Yam with an additional gross area of 1,000 sqm, anticipated to open in Q1 2027. The store in Kiriat Yam is still operating during the expansion work.

1.3. A "Max - Fun Shopping" store operated by a franchisee in Davidka Jerusalem closed in February 2026. The Chain is also expected to close the older branch in Beer Sheva at the end of August 2026 (by the Amot complex) after opening the new store in the Mivne complex in March 2026.

2. <u>**Update to Section 1.5 - Investments in the Company's share capital and transactions with its shares**</u>

2.1. <u>Off-exchange sale of shares by an interested party</u> - On January 8, 2026, the Company was informed by Moose Holdco Ltd. ("**Moose Holdco**"), that it sold, through an OTC (off-exchange) transaction, 11,320,755 Company shares, at a price of 2,650 agurot per share. Following this share sale, Moose Holdco holds 11,687,631 Company shares, comprising 8.36% of the Company's share capital. As a result of the transaction, the shareholders' agreement between it and Ori Max as well as the management agreement between it and the Company expired, and it is no longer a controlling shareholder of the Company. For more information see the immediate reports published by the Company on January 8, 2026 (Ref. No: 2026-01-003521 and 2026-01-003672).

2.2. <u>Off-exchange sale of shares by an interested party</u> - On January 8, 2026, the Company was informed by Ori Max Ltd., that it sold, through an OTC (off-exchange) transaction, 1,886,792 Company shares, at a price of 2,650 agurot per share. Following this share sale, Ori Max holds 23,094,700 Company shares, comprising 16.52% of the Company's share capital. As a result of the share sale by Moose Holdco as mentioned above in Section 2.1, the shareholders' agreement between Ori Max and Moose Holdco expired, and Ori Max is no longer a controlling shareholder of the Company. For more information see the immediate reports published by the Company on January 8, 2026 (Ref. No: 2026-01-003521 and 2026-01-003672).

2.3. <u>Off-exchange purchase of shares and becoming an interested party</u> - On January 12, 2026, the Company was informed by Harel Investments in Insurance and Financial Services Ltd., that it had purchased, through an OTC (off-exchange) transaction, 12,452,547 Company shares, at a price of 2,650 agurot per share. See the immediate report published by the Company on January 12, 2026 (Reference No: 2026-01-005017).

3. <u>**Update to Section 1.6 of the Periodic Report - Distribution of dividends**</u>

3.1. Further to the Company's immediate report regarding the approval of a distribution of dividends dated March 16, 2026 (Ref. No: 2026-01-022781), the Company paid a dividend of ILS 0.5723422 per share totaling ILS 80 million on April 15, 2026.

3.2. On August 10, 2026, the Company's Board of Directors approved the distribution of a dividend of ILS 0.3574116 per share, totaling approximately ILS 50 million, which shall be distributed on September 9, 2026. For details about the aforementioned Company's decision, see

Note 4A to the Financial Statements. A suitable immediate report shall be published in proximity to the publication date of the report

4. **Update to Section 1.8.10 of the Periodic Report - Changes in the security, political and economic situation in Israel**

The "Swords of Iron" war and the operations against Iran ("Operation Roaring Lion")

A ceasefire between the US and Iran (as well as between Iran and Israel) became effective on April 8, 2026, which was extended from time to time. On April 16, 2026, a ceasefire was also announced between Israel and Lebanon in order to conduct negotiations. A memorandum of understanding between Lebanon, the US and Israel was signed at the end of June 2026. A round of talks was held between the US and Iran as mediated by other countries subsequent to the ceasefire with Iran taking effect, which subsequently resulted in the signing of a memorandum of understanding between the parties in June 2026. The US renewed its attacks against Iran in July 2026, *inter alia*, following breach of the memorandum of understanding. As of the publication date of the report, this is an ongoing event characterized by significant uncertainty and security tension between the US and Iran, along with negotiations to end the fighting. For further details regarding the impact of Operation "Roaring Lion", the fighting with Iran and the fighting in the north on the Company's activities, see Section 2.4 of the Company's Board Report.

5. **Update to Section 1.14 of the Periodic Report - Segmentation of revenues and profitability of products**

		For the year/period ended		
		30.6.2026	**30.6.2025**	**31.12.2025**
		General data		
Number of owned branches		40	37	38
Net retail space (sqm)		71,484	66,104	66,424
Human capital	Branches	2,480	2,009	2,131
	Logistics center	150	104	133
	Administration and headquarters	141	117	127
		Operating Results (ILS 000's)		
Cost of goods sold	Fixed costs*	5,369	5,250	10,692
	Variable costs	413,217	379,531	789,461
Rent	Fixed**	31,756	30,289	61,927

		For the year/period ended		
		30.6.2026	30.6.2025	31.12.2025
	Variable	707	530	1,176
Capital investments in the branches		10,061	10,652	17,671
Total salary expenses attributed to retail activity		107,481	93,224	200,060
		Data on revenues and sales		
Revenue per sqm***		21,961	19,735	20,818
Rate of change in same store sales (%)		12%	3.6%	4.4%

* Amortization of right of use assets with respect to the logistics centers.

** Amortization of right of use assets with respect to the owned stores.

*** Quarterly data annualized.

For details on changes to the Company's financial and operating KPIs in the reporting period, see Section 7 of the Board Report.

6. Update to Section 1.21 of the Periodic Report - Human capital

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

6.1. On March 15, 2026, Mr. Erez Nahum gave notice that he will be concluding his role as one of the Company's directors. For additional details, see the Company's immediate report of March 15, 2026 and the amended immediate report of March 17, 2026 (Ref. No: 2026-01-022691 and 2026-01-023581, respectively), the information included therein being incorporated herein by reference.

6.2. Messrs. Guy Edri and Shelly Beinhorn commenced their term in office as independent directors of the Company on April 20, 2026. Ms. Limor Brik-Shay also stopped serving as one of the Company's directors on April 20, 2026. For more information, see the immediate reports published on April 20, 2026 (Ref. No: 2026-01-036908, 2026-01-036912 and 2026-01-036914, respectively), included herein by way of reference.

6.3. Mr. Roy Bitton was appointed as the Company's VP Sales on May 18, 2026. For more information, see the immediate report of May 19, 2026 regarding the Company's senior officers (Ref. No: 2026-01-046112), included herein by way of reference.

6.4. Mr. Eliezer (Elik) Kaplan, the Company's Senior VP Logistics at the time, was appointed Deputy CEO of the Company on August 10, 2026. In his role as Deputy CEO, Mr. Kaplan shall continue to be responsible for logistics and HR at the Company. A suitable immediate report regarding the Company's senior officers shall be published in proximity to the publication date of the report

Section 1.21.6 - Description of the employee Compensation Plan

6.5. For information regarding an amendment of the Company's option plan into an equity incentive plan, as well as the approval of the grant of options and restricted share units (RSUs and PSUs) to Company's officers and employees, including to the Company's CEO, see Note 4E to the Financial Statements. An immediate report regarding a non-material private placement to employees and officers shall be published shortly after the publication date of the report. The grants to Mr. Ori Max are subject to the approval of the Company's general meeting which is anticipated to convene in September 2026.

6.6. On August 5 and 10, 2026, the Company's Compensation Committee and Board of Directors, respectively, approved amending the Company's compensation policy, subject to the approval of the Company's general meeting.

A notice regarding the convening of an extraordinary general meeting, anticipated to convene on September 15, 2026, shall be published in proximity to the publication of this report.

7. Update to Section 1.27 of the Periodic Report - Material agreements

Update to Section 1.27.3 - Changes to the management agreement with Mr. Ori Max

On August 5 and 10, 2026, the Compensation Committee and the Company's Board of Directors, respectively, approved an update to the terms of office of Mr. Max as CEO of the Company, effective as of October 1, 2026. The revision of the terms of office is subject to the approval of the Company's general meeting. For details regarding the suggested revision of the terms of office of Mr. Ori Max, including a grant of options and performance based share units (PSUs), see Notes 4D(3) and 4E to the Financial Statements. An immediate report including a notice of the extraordinary general meeting and details regarding the material private placement to Mr. Ori Max, anticipated to convene on September 15, 2026, shall be published in proximity to the publication date of this report.

Chapter B

BOARD OF DIRECTORS' REPORT ON THE STATE OF THE COMPANY'S AFFAIRS FOR THE SIX MONTHS PERIOD ENDING ON JUNE 30, 2026

Max Stock Ltd.

Board of Directors' Report on the State of the Company's Affairs

For the six and three month period ended June 30, 2026

The board of directors of Max Stock Ltd. (the "**Company**") is pleased to present the board of directors report on the state of the Company's affairs for the six and three month period ended June 30, 2026 (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 have access to the Company's board of directors report on the state of the Company's affairs for the year ended December 31, 2025 (the "**annual board report**"), published on March 16, 2026, together with the Company's 2025 periodic report (Ref. No: 2026-01-022777) (the "**periodic report**").

A. <u>Board's explanations about the state of the Company's business affairs</u>

1. <u>Description of the Company's business affairs</u>

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 Since 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 (the "**Max Chain**" or the "**Chain**"). As of the date of the report and as of the publication date of the report, the Company operates 65 branches throughout Israel, from Kiriat Shmona to Eilat, which are mostly (40) operated by subsidiaries ("**owned stores**") and the remainder are operated as franchises.

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 H1 2026, the Company continued to implement its growth strategy by expanding the deployment of the Chain, including the opening of two new branches in March 2026 (which are operated by subsidiaries) in Beer Sheva and in Or Akiva, and in June 2026 it opened another branch (which is operated by a franchisee) in Hod Hasharon. The Company also closed a branch (which was operated by a franchisee) in the Davidka complex in Jerusalem in February 2026.

2.2 In Q2 2026, the Company's sales turnover increased by approximately 12.7% relative to the same period YoY. The growth in revenues is due to an increase in same store sales[1] (SSS) of approximately 7% and the opening of new branches. The increase in SSS is primarily due to an increase in store foot-traffic as well as due to larger average basked sizes compared with the same period YoY. These results were achieved despite the timing of the Passover festival this year having a positive impact on the Q1 results, while it had a positive impact on the Q2 results last year. The increase in the average price per item reflects the positive impact of a change in the product mix and growth in sales of items characterized by a higher average price.

2.3 In H1 2026, the Company's sales turnover increased by approximately 15.5% relative to the same period YoY. The growth in revenues is due to an increase in SSS of approximately 12%, and the opening of new branches. The increase in SSS is primarily due to an increase in the average basket size, greater store foot traffic and an increase in seasonal sales relative to the same period YoY. The increase in the average price per item reflects the positive impact of a change in the product mix and growth in sales of items characterized by a higher average price.

For more information about the Company's operating results for the six and three month period ending on June 30, 2026, relative to the same period last year, see section 5 below.

For more information about the Company's financial and operating metrics for the six and three month periods ended on June 30, 2026, see section 7 below.

2.4 Impact of the security situation on the Group's activity

Further to that described in section 1.8.10 of Chapter A of the periodic report regarding changes to the security situation in Israel, against the backdrop of the ongoing tensions between Israel and Iran, on February 28, 2026, Operation Roaring Lion (the "**operation**" or "**Operation**

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

Roaring Lion") commenced, as part of which Israel and the United States launched a coordinated attack against governmental symbols and military and governmental infrastructure in Iran. On March 2, 2026, hostilities in northern Israel resumed after Hezbollah joined the attack against Israel. The escalation in fighting led to the declaration of a special state of emergency on the home front and the imposition of restrictions on the Israeli economy pursuant to Home Front Command directives prohibiting activities and gatherings, except for essential services. The ceasefire between Iran and Israel became effective on April 8, 2026, which has periodically been extended, and a provisional ceasefire between Israel and Hezbollah became effective on April 17, 2026, which has periodically been extended. The special state of emergency on the home front was fully lifted on April 19, 2026. A ceasefire framework agreement was signed between Lebanon, Israel and the US in June 2026. A round of negotiation talks was held between the US and Iran mediated by various countries subsequent to the ceasefire with Iran becoming effective, which subsequently resulted in a memorandum of understanding being signed by the parties in June. The US renewed its attacks on Iran in July 2026, *inter alia*, due to breach of the memorandum of understanding. As of the approval date of the financial statements, there is security tension between Iran and the US. The foregoing has resulted in significant volatility in energy prices, including oil prices as well as volatility in forex rates.

Impact on the Company's stores

The Company's stores operated in a reduced format during Operation Roaring Lion, except for the Company's Kiriat Shmona branch, which is operated by a franchisee and whose operations were suspended at the outset of the operation. As of April 10, 2026, the Company's branches were fully open and operating as usual, and the Company's Kiriat Shmona branch returned to full operations at the beginning of May 2026.

The Company primarily focuses on basic products required throughout the year, including emergency periods, and in light of the fact that the Company sells a diverse and changing range of products at attractive prices, the Company assesses at this stage, based on the information available to it, as of the approval date of the financial statements, and in light of the operating metrics (KPIs) examined by the Company and it meeting its cash-flow targets, that Operation Roaring Lion has not had a material impact on the Company's operating activities. Additionally, as of the publication date of the report, the Company's manpower has not materially changed to how it stood prior to the operation, and no material supply chain issues were experienced and the Company does not foresee material changes with the opening dates of future stores it has signed. However, in light of the security tension between the US and Iran, as of the publication date of this report, the Company is unable to assess the impact the recommencement of hostilities with Iran will have on its activity.

Impact on the supply chain

Operation Roaring Lion also had an impact on the supply chains for goods for the Israeli economy, in the context of which the market remains sensitive to disruptions in trade routes and geopolitical developments. These have kept transit times elevated, continuing the impact of the Swords of Iron War, and contribute to the continued existence of a "risk premium" and price volatility during periods of security tension or operational uncertainty.

The Company assesses that the extended delivery times and volatile shipping costs are not having a material impact on the Company's results, *inter alia*, due to the fact that extensive leeway is built into the delivery schedule as part of the Company's ordering schedule.

Other than as stated above, the Company currently estimates that there are no additional material impacts as a result of Operation Roaring Lion on the supply chain and the aforementioned costs.

However, renewed fighting or escalation on the various fronts may have additional broad implications for various sectors and geographical areas in the country. In addition, potential volatility in commodity prices, foreign exchange rates, availability of materials, availability of workforce, local services and access to local resources may affect entities whose principal activities are conducted with or in Israel.

It should be noted that the Company is unable to reliably assess the scope of the future impact of the renewed fighting or escalation on the various fronts and their macro-economic implications on the State of Israel, and hence its impact on the Company's operating activities, among other things, in light of the sharp volatility experienced by the markets, the uncertainty regarding the duration of the fighting, its severity, scope, the implications of the war on the Company's operating segments and additional measures which may be taken by the government. The Company's board of directors and management are continuing to closely monitor the Company's performance during the war, including scope of sales, the Company's ability to satisfy its liabilities upon maturity, manpower and reserve military call-ups, and to make the necessary adjustments.

The Company's assessments regarding the possible implications and impacts of the renewed fighting or escalation on the various fronts, as described above, on the Company's operations, businesses and results, fall within the definition of forward-looking information, as defined in the Israel Securities Law, 1968. Among other things, these assessments are based on the information held by the Company as of the publication date of the report. There is therefore no certainty that these assessments will indeed actualize, in whole or in part, and they may be different, including materially different, to that described above, as a result of various factors, including the uncertainty prevailing with respect to the nature and duration of the fighting with Iran and Hezbollah, the development and the expansion of the fighting on additional fronts, which may result in a regional war and/or the end of the ceasefire in Gaza, and its impact on various segments of the economy, including the Israeli economy and its trade relations with other countries around the world, the state of the Israeli economy, Israel's credit rating and due to the impact of the Company's risk factors as described in section 1.31 of Part A of the periodic report.

2.5 <u>Effect of currency fluctuations</u>

The Company purchases most of its products from overseas suppliers in foreign currency (primarily in USD) and sells its products at prices denominated in ILS, and is therefore exposed to fluctuations in foreign currency exchange rates. To reduce the impact of exchange rate fluctuations on the Company's results and to secure predetermined exchange rates, the Company carries out hedging transactions from time to time, at management's discretion and according to its needs. Financing expenses or revenues in respect of the revaluation of hedging transactions reflect the difference between the exchange rate secured under those hedging transactions and the actual exchange rate as of the report date.

In H1 2026 the USD exchange rate further declined, continuing the trend which commenced in H2 2025. The aforementioned decline in the exchange rate contributed to an increase in the gross profit margin during the reporting period compared with the corresponding period last year. Conversely, as a result of this decline, the Company recorded financing expenses in respect of the revaluation of future hedging transactions based on the USD exchange rate as of the report date and it may subsequently record additional financing expenses. if the exchange rate falls below the exchange rate as of the date of the report.

The total financial expenses recorded in H1 2026 due to the maturation of hedging transactions and the revaluation of the Company's existing future hedging transactions as of the date of the report comes to approximately ILS 31,615 thousands.

As of June 30, 2026, the Company has future hedging transactions to purchase USD at exchange rates ranging from ILS 2.8-3.43. The future hedging transactions as of the date of the report are to purchase approximately USD 34.5 million in 2026, approximately USD 51.3 million in 2027 and approximately USD 26.3 million in 2028.

For further details regarding the effect of the decline in the exchange rate on gross profit and on financing expenses, see section 5 below.

For further details regarding exchange rate fluctuations, see section 1.8.4 of Chapter A of the periodic report.

The possible impact exchange rate volatility may have on the Company's activity, as described above, constitutes "forward-looking information," as defined in the Securities Law, 1968, the realization of which is uncertain and contingent on 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.

3. Material events during and after the reporting period

3.1 Distribution of dividends - see Note 4A to the Company's interim consolidated financial statements as of June 30, 2026 (the "**consolidated financial statements**").

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

3.3 On January 8, 2026, as a result of Moose Holdco's shareholding in the Company falling below 10% of the Company's share capital, the shareholders' agreement expired in accordance with its terms. Ori Max and Moose Holdco ceased to be the controlling shareholders of the Company, and as of that date the Company no longer has a controlling shareholder. In addition, further to the approval by the Company's general meeting on September 18, 2025 of the extension of the management and consulting services agreement between the Company and Moose Holdco dated September 14, 2020, the said management services agreement expired in accordance with its terms.

3.4 For more information regarding material changes to the Company’s senior management personnel, officers and directors, see section 6 of Chapter A (Update to the description of the Company's business affairs) attached to this report.

3.5 On August 5 and 10, 2026, the Remuneration Committee (with respect to senior officers) and the Company’s Board of Directors, respectively, approved the allotment of 1,366,768 unlisted options exercisable into 1,366,768 Company shares to Company office holders, VPs who are not considered office holders and employees, as well as the allotment of 307,768 restricted share units (RSUs), convertible into 307,768 Company shares to Company office holders and to VPs who are not considered office holders, all subject to TASE approval for the allotment. For more information see Note 4E to the consolidated financial statements and the immediate report regarding a non-material private placement to be released subsequently to the publication of this report.

3.6 Subject to the approval of the Company’s general meeting, on August 5 and 10, 2026, the Company’s Remuneration Committee and Board of Directors, respectively, approved, the following: (1) an amendment of the Company’s remuneration policy for senior officers and (2) an update to the terms of office of Ori Max as CEO of the Company, effective as of October 1, 2026, including granting equity compensation which includes the grant of unlisted options and performance based share units (PSUs) with a total fair value of ILS 5,250 thousands, subject to TASE approval for the allotment. For details regarding the proposed revision of Mr. Max’s terms of office, including the terms of the grant, see Notes 4D and 4E to the consolidated financial statements. A report regarding the convention of the Company’s general meeting to approve the revision of the remuneration policy and the terms of office and employment of the Company’s CEO, shall be released shortly after the publication of this report.

For more information 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 June 30		As of December 31
	2026	2025	2025
	ILS 000's		
Trade receivables (customers)	133,679	103,603	125,140
Inventory	244,382	202,595	210,197
Other current assets	148,088	107,120	171,868
Non-current assets	862,535	867,422	859,506
Total assets	**1,388,684**	**1,280,740**	**1,366,711**
Trade payables (liabilities to vendors, suppliers and service providers)	171,997	124,708	168,302
Other current liabilities	197,947	150,112	174,360
Non-current liabilities	732,321	749,970	732,085
Total shareholders' equity	286,419	255,950	291,964
Total liabilities and equity	**1,388,684**	**1,280,740**	**1,366,711**

Assets

4.1 Trade receivables (customers) - The balance of trade receivables as of June 30, 2026, totaled approximately ILS 133,679 thousands, compared with approximately ILS 125,140 thousands as of December 31, 2025. The increase is primarily attributable to an increase in the scale of the Company's operating activities and higher sales turnover in June 2026 relative to December 2025.

4.2 Inventory - The balance of inventory as of June 30, 2026, totaled approximately ILS 244,382 thousands, compared with approximately ILS 210,197 thousands as of December 31, 2025. The increase is primarily attributable to the building up of inventories for the opening of new branches and the increase in the scale of the Chain's operations.

4.3 Other current assets - The balance of other current assets as of June 30, 2026, totaled approximately ILS 148,088 thousands, compared with approximately ILS 171,868 thousands as of December 31, 2025. The decrease is primarily attributable to the cash and cash equivalents line item and is primarily attributable to a distribution of a dividend totaling ILS 80,000 thousands to the Company's shareholders during the period which was partially offset by an increase in cash generated by the Company's operating activities.

4.4 Non-current assets - The balance of non-current assets as of June 30, 2026, totaled approximately ILS 862,535 thousands, compared with approximately ILS 859,506 thousands as of December 31, 2025. The increase is primarily attributable to fixed property for 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 June 30, 2026, totaled approximately ILS 171,997 thousands, compared with approximately ILS 168,302 thousands as of December 31, 2025.

4.6 Other current liabilities - The balance of other current liabilities as of June 30, 2026, totaled approximately ILS 197,947 thousands, compared with approximately ILS 174,360 thousands as of December 31, 2025. The increase is primarily attributable to provisions for hedging transaction liabilities resulting from a decline in the USD exchange rate as of the reporting date.

4.7 Non-current liabilities - The balance of non-current liabilities as of June 30, 2026, totaled approximately ILS 732,321 thousands, compared with approximately ILS 732,085 thousands as of December 31, 2025. The increase is attributable to additional lease liabilities recognized during the period associated with the Chain's new branches and extending existing contracts and was offset by the repayment of bank loans.

Equity

4.8 The shareholders' equity as of June 30, 2026, totaled approximately ILS 286,419 thousands, compared with approximately ILS 291,964 thousands as of December 31, 2025. The decrease is primarily attributable to the distribution of dividends to the Company's shareholders totaling ILS 80,000 thousands, and the distribution of dividends to minority shareholders totaling approximately ILS 11,394 thousands. The decline was largely offset by an increase totaling approximately ILS 85,810 thousands, attributable to the Company's profits in the current half.

5. Operating Results

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

	For the three-month period ended June 30			
	2026	***% Turnover***	**2025**	***% Turnover***
Revenues from sales	378,994		336,288	
Cost of goods sold	200,530		188,982	
Gross profit	**178,464**	***47.1%***	**147,306**	***43.8%***
Sales and marketing expenses	86,430		75,654	
General and administrative expenses	15,104		14,855	
Other expenses	-		25	
Operating profit	**76,930**	***20.3%***	**56,772**	***16.9%***
Financing revenues	(4,577)		(3,544)	
Financing expenses	35,586		24,980	
Profit before taxes on income	**45,921**	***12.1%***	**35,336**	***10.5%***
Taxes on income	10,088		7,805	
Net profit	**35,913**	***9.5%***	**27,531**	***8.2%***
Net profit attributable to:				
Shareholders of the Company	32,598		24,021	
Minority interests	3,315		3,510	
	35,913		27,531	

5.1.1 Revenues

The Company's revenues in Q2 2026 increased by approximately 12.7% compared with the same quarter YoY, totaling approximately ILS 378,994 thousands, compared with approximately ILS 336,288 thousands in the same period last year. The growth in revenues is due to an increase in same store sales (SSS) of approximately 7% and the opening of new branches. The increase in SSS is primarily due to an increase in store foot-traffic as well as due to larger average basket sizes compared with the corresponding period last year. These results were achieved despite the timing of the Passover festival this year having a positive impact on the Q1 results, while it had a positive impact on the Q2 results last year. The increase in the average price per item reflects the positive impact of a change in the product mix and growth in sales of items characterized by a higher average price.

5.1.2 Gross profit

The gross profit margin in Q2 2026 was approximately 47.1% of sales turnover, compared with approximately 43.8% in the same period YoY. The gross profit in Q2 2026 totaled approximately ILS 178,464 thousands, compared with approximately ILS 147,306 thousands in the same period YoY - an increase of approximately 21.2%. The increase in gross margin in Q2 2026 relative to the gross margin in the same quarter YoY is primarily due to a decline in the USD exchange rate. There has also been an improvement in the terms of trade, and the logistics expense rate in the corresponding quarter last year reflected increased costs resulting from the transition period for the operation of the new logistics center in Shomria, which had not yet reached full capacity.

5.1.3 Sales and marketing expenses

Sales and marketing expenses in Q2 2026 totaled approximately ILS 86,430 thousands, approximately 22.8% of sales turnover, compared with approximately ILS 75,654 thousands in the same period last year, approximately 22.5% of the sales turnover. The percentage of sales and marketing expenses of the sales turnover in the current quarter increased by approximately 0.3% compared with the percentage of these expenses of sales turnover in the same quarter YoY.

The increase in the expenses was mainly due to an increase in sales and marketing expenses at the Chain's new branches, under the salary, Arnona [municipal rates] and depreciation of right-of-use assets line items, which was partly offset by a decrease in sales and marketing expenses attributable to the discontinuation of operations in Portugal in the corresponding period last year.

5.1.4 General and administrative expenses

General and administrative expenses in Q2 2026 totaled approximately ILS 15,104 thousands, approximately 4.0% of sales turnover, compared with approximately ILS 14,855 thousands in the same period last year, approximately 4.4% of the sales turnover.

5.1.5 Financing revenues

In Q2 2026, financing revenues totaled approximately ILS 4,577 thousands, compared with financing revenues totaling approximately ILS 3,544 thousands in the same period YoY. The increase in financing revenues in the reporting period compared with the corresponding quarter the previous year is primarily attributable to an increase in revenues from exchange rate differentials.

5.1.6 Financing expenses

Financing expenses in Q2 2026 totaled approximately ILS 35,586 thousands, compared with financing expenses of approximately ILS 24,980 thousands in the same period last year. The increase in financing expenses in the reporting period relative to the same period YoY was primarily due to a loss from the maturation and revaluation of USD futures hedging transactions totaling approximately ILS 26,670 thousands (compared with a loss of approximately ILS 15,893 thousands in the corresponding period the previous year) due to a decline in the USD exchange rate during the reporting period (a decline which contributed to improved gross margin).

5.1.7 Net profit

Net profit margin in Q2 2026 was approximately 9.5% of sales turnover, compared with approximately 8.2% in the same period YoY. The increase in net profit margin is primarily attributable to an increase in gross margin as described above. The net profit in Q2 2026 totaled approximately ILS 35,913 thousands, compared with approximately ILS 27,531 thousands in the same period last year, an increase of approximately 30.4%.

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

	For the six-month period ended as of June 30				For the year ended December 31	
	2026	% turnover	2025	% turnover	2025	% turnover
Revenues from sales	779,997		675,361		1,427,083	
Cost of goods sold	418,586		384,781		800,153	
Gross profit	**361,411**	***46.3%***	**290,580**	***43.0%***	**626,930**	***43.9%***
Sales and marketing expenses	173,358		155,030		326,960	
General and administrative expenses	33,991		31,030		67,050	
Other income	-		(539)		(3,694)	
Other expenses	-		4,027		5,697	
Operating profit	**154,062**	***19.8%***	**101,032**	***15.0%***	**230,917**	***16.2%***
Financing revenues	(6,025)		(6,165)		(10,578)	
Financing expenses	49,235		28,401		64,460	
Profit before taxes on income	**110,852**	***14.2%***	**78,796**	***11.7%***	**177,035**	***12.4%***
Taxes on income	25,042		19,430		39,470	
Net profit	**85,810**	***11.0%***	**59,366**	***8.8%***	**137,565**	***9.6%***
Net profit attributable to:						
Shareholders of the Company	78,313		53,298		124,917	
Minority interests	7,497		6,068		12,648	
	85,810		**59,366**		**137,565**	

5.2.1 Revenues

The Company's revenues in H1 2026 totaled approximately ILS 779,997 thousands, compared with approximately ILS 675,361 thousands in the same period YoY, an increase of approximately 15.5%. The increase in sales turnover is attributable to an increase of approximately 12% in SSS and the opening of new branches. The increase in SSS is primarily due to an increase in the average basket size, greater store foot traffic and an increase in seasonal sales relative to the same period YoY. The increase in the average price per item reflects the positive impact of a change in the product mix and growth in sales of items characterized by a higher average price.

5.2.2 Gross profit

The gross margin in H1 2026 was approximately 46.3% of sales turnover, compared with approximately 43% in the corresponding period last year. The gross profit in H1 2026 totaled approximately ILS 361,411 thousands, compared with approximately ILS 290,580 thousands in the same period YoY, an approximately 24.4% increase. The increase in gross margin in H1 2026 relative to the gross margin in the same half YoY is primarily due to a decline in the USD exchange rate. There was also a decline in shipping costs and an improvement in the terms of trade. The percentage of the logistics expenses in the corresponding period last year reflects higher costs due to the transition period when the new logistics center in Shomria was being opened before being fully operational.

5.2.3 Sales and marketing expenses

Sales and marketing expenses in H1 2026 totaled approximately ILS 173,358 thousands, approximately 22.2% of sales turnover, compared with approximately ILS 155,030 thousands in the same period YoY, approximately 23% of the sales turnover. The percentage of sales and marketing expenses of the sales turnover in H1 declined by approximately 0.8% compared with the percentage of these expenses of sales turnover in H1 YoY.

The nominal increase in the expenses was mainly due to an increase in sales and marketing expenses at the Chain's new branches, under the salary, Arnona [municipal rates], business maintenance and depreciation of right-of-use assets line items, which was partly offset by a decrease in sales and marketing expenses attributable to the discontinuation of operations in Portugal in the corresponding period last year.

5.2.4 General and administrative expenses

General and administrative expenses in H1 2026 totaled approximately ILS 33,991 thousands, approximately 4.4% of sales turnover, compared with approximately ILS 31,030 thousands in the same period YoY, approximately 4.6% of the sales turnover.

5.2.5 Financing revenues

Financing revenues totaled approximately ILS 6,025 thousands in H1 2026, compared with financing revenues totaling approximately ILS 6,165 thousands in the same period YoY. The decline in financing revenues in the reporting period compared with the corresponding quarter the previous year is attributable to a decline in revenues from exchange rate differentials which is partially offset by an increase in interest on bank balances.

5.2.6 Financing expenses

Financing expenses totaled approximately ILS 49,235 thousands in H1 2026, compared with financing expenses totaling approximately ILS 28,401 thousands in the same period YoY. The increase in financing expenses in the reporting period relative to the same period YoY was primarily due to a loss from the maturation and revaluation of USD futures hedging transactions totaling approximately ILS 31,615 thousands (compared with a loss of approximately ILS 10,885 thousands in the corresponding period last year). due to a decline in the USD exchange rate as of the date of the report (a decline which contributed to improved gross margin).

5.2.7 Net profit

Net margin in H1 2026 was approximately 11.0% of sales turnover, compared with approximately 8.8% in the same period YoY. The increase in net profit margin is primarily attributable to an increase in gross margin as described above and from a decline in the percentage of sales and marketing as well as general and administrative expenses of sales turnover. The net profit in H1 2026 totaled approximately ILS 85,810 thousands, compared with approximately ILS 59,366 thousands in the same period YoY, an approximately 44.5% increase.

6. Liquidity

	For the six-month period ended June 30		For the three-month period ended June 30		For the year ended December 31
	2026	2025	2026	2025	2025
	ILS 000's				
Cash-flow from operating activities	107,929	132,663	54,564	70,547	291,496
Cash-flow utilized for investment activities	(12,442)	(16,776)	(5,354)	(9,517)	(27,540)
Cash-flow utilized for financing activities	(124,836)	(120,447)	(104,698)	(100,485)	(199,263)
Effect of exchange rate volatility on the balance of cash and cash equivalents	1	17	(588)	4	5
Increase (decrease) in cash and cash equivalents	**(29,348)**	**(4,543)**	**(56,076)**	**(39,451)**	**64,698**

6.1 Cash-flows from operating activities

Net cash deriving from operating activities in H1 2026 totaled approximately ILS 107,929 thousands, compared with approximately ILS 132,663 thousands in net cash deriving from operating activities in the same period YoY. The decline in cash-flow from operating activities is primarily attributable to the Company building up inventory in the reporting period as opposed to selling down inventory in the corresponding period YoY, and was partially offset by an increase in net profit in the period.

Net cash deriving from operating activities in Q2 2026 totaled approximately ILS 54,564 thousands, compared with approximately ILS 70,547 thousands in net cash deriving from operating activities in the same period YoY. The decline in cash-flow from operating activities is primarily attributable to the Company building up inventory in the reporting period as opposed to selling down inventory in the corresponding period YoY, and was partially offset by an increase in net profit in the period.

6.2 Cash-flows from investment activities

Net cash utilized for investment activities in H1 2026 totaled approximately ILS 12,442 thousands, compared with approximately ILS 16,776 thousands in net cash utilized in investment activities in the same period YoY. The decline is primarily attributable to the acquisition of fixed property for the Company's new logistic center in the corresponding period YoY.

Net cash utilized for investment activities in Q2 2026 totaled approximately ILS 5,354 thousands, compared with approximately ILS 9,517 thousands in net cash utilized in investment activities in the same period YoY. The decline is primarily attributable to the acquisition of fixed property for the Company's new logistic center in the corresponding period YoY.

6.3 Cash-flows from financing activities

Net cash utilized for financing activities in H1 2026 totaled approximately ILS 124,836 thousands, compared with approximately ILS 120,447 thousands in net cash utilized for financing activities in the same period YoY. The change is primarily attributable to the payment of a larger dividend to the Company's shareholders and minority interest holders and greater lease payments in H1 2026 compared with H1 YoY, which were partially offset by the receipt of bank loans during the reporting period.

Net cash utilized for financing activities in Q2 2026 totaled approximately ILS 104,698 thousands, compared with approximately ILS 100,485 thousands in net cash utilized for financing activities in the same period YoY. The change is primarily attributable to the payment of a larger dividend to the Company's shareholders and minority interest holders in Q2 2026 compared with the corresponding quarter YoY, which was partially offset by the repayment of loans during the corresponding period the previous year.

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 published 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 period of six months ended June 30		For the three-month period ended June 30		For the year ended December 31
	2026	2025	2026	2025	2025
The rate of change in SSS (same store sales)[2]	12%	3.6%	7%	4.2%	4.4%
Rate of change in the average basket price[2] - in an owned store	7.6%	2.5%	2.7%	2.7%	3.1%
Change in average basket[2] - Same store sales	8.5%	3.0%	2.8%	3.0%	3.6%
Rate of change in the average basket price[2] - in a franchised store	8.4%	5.9%	2.6%	7.8%	7%
EBITDA (ILS 000's)	200,637	150,624	100,873	79,540	325,624
Adjusted EBITDA (ILS 000's)	152,914	104,454	77,478	56,514	233,501

[2] The rate of change is relative to the same period YoY.

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 on the following page.
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 six-month period ended on June 30		**For the three-month period ended on June 30**		**For the year ended December 31**
	2026	**2025**	**2026**	**2025**	**2025**
Net profit	85,810	59,366	35,913	27,531	137,565
Tax expenses	25,042	19,430	10,008	7,805	39,470
Financing expenses, net	43,210	22,236	31,009	21,436	53,882
Depreciation and amortization	46,575	46,104	23,943	22,743	92,704
Other expenses (revenues), net	-	3,488	-	25	2,003
EBITDA	**200,637**	**150,624**	**100,873**	**79,540**	**325,624**
Adjustments to adjusted EBITDA[3]					
Impact of IFRS16	(47,748)	(46,221)	(23,405)	(23,049)	(92,220)
Share-based payment expenses	25	51	10	23	97
Adjusted EBITDA	**152,914**	**104,454**	**77,478**	**56,514**	**233,501**

[3]Adjusted EBITDA – see section 7.1 above.

7.3 Impact of IFRS 16 - *Leases*

Presented below is an overview of the impact of IFRS 16 on the Company's statement of profit and loss for the six and three month periods ended June 30, 2026, for the corresponding period last year and the 2025 annual period (ILS 000's):

	H1 2026		H1 2025		2025	
	Figures as presented in the financial statements	**Figures offsetting the impact of IFRS16**	**Figures as presented in the financial statements**	**Figures offsetting the impact of IFRS16**	**Figures as presented in the financial statements**	**Figures offsetting the impact of IFRS16**
Operating profit	**154,062**	**143,440**	**101,032**	**89,812**	**230,917**	**207,623**
Financing expenses (revenues), net	43,210	26,848	22,236	6,435	53,882	21,196
Profit before taxes on income	**110,852**	**116,592**	**78,796**	**83,377**	**177,035**	**186,427**
Taxes on income	25,042	26,362	19,430	20,484	39,470	41,630
Net profit	**85,810**	**90,230**	**59,366**	**62,893**	**137,565**	**144,797**
EBITDA	**200,637**	**152,889**	**150,624**	**104,403**	**325,624**	**233,404**

	Q2 2026		Q2 2025	
	Figures as presented in the financial statements	**Figures offsetting the impact of IFRS16**	**Figures as presented in the financial statements**	**Figures offsetting the impact of IFRS16**
Operating profit	**76,930**	**72,588**	**56,772**	**51,572**
Financing expenses (revenues), net	31,009	22,693	21,436	13,196
Profit before taxes on income	**45,921**	**49,895**	**35,336**	**38,376**
Taxes on income	10,008	10,922	7,805	8,505
Net profit	**35,913**	**38,973**	**27,531**	**29,871**
EBITDA	**100,873**	**77,468**	**79,540**	**56,491**

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 June 30, 2026, totaled approximately ILS 30,875 thousands, compared with a total amount of approximately ILS 37,160 thousands as of June 30, 2025. The decrease in the balance of credit from banking corporations primarily derives from the net repayment of loans by the Company.

8.3 Customer credit and vendor credit

There were no material changes in the credit payment terms the Company has obtained from its vendors and the credit payment terms the Company grants its customers relative to that set forth in the annual board report.

8.4 Financial risk management

For additional information about the management of the Company's financial risks, see Section 16D of the annual financial statements.

The board and management wish to convey their tremendous appreciation to Max Stock's employees and managers.

August 10, 2026

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

Addendum A to the Board of Directors Report - A linkage adjusted balance sheet as of June 30, 2026 (ILS 000's)

	ILS (*)	USD	EUR	Total
Current assets				
Cash and cash equivalents	129,306	2,376	817	132,499
Trade receivables (customers)	133,679	-	-	133,679
Current tax rebates	4,206	-	-	4,206
Other receivables and debit balances	11,382	-	1	11,383
Inventory	244,382	-	-	244,382
	522,955	2,376	818	526,149
Non-current assets				
Long-term loan	-	-	2,377	2,377
Fixed assets (property, plant and equipment), net	136,789	-	-	136,789
Right-of-use assets	696,597	-	-	696,597
Deferred taxes	26,772	-	-	26,772
	860,158	-	2,377	862,535
	1,383,113	**2,376**	**3,195**	**1,388,684**
Current liabilities				
Credit from banking corporations	11,512	-	-	11,512
Lease liabilities	72,294	-	-	72,294
Trade payables (liabilities to vendors, suppliers and service providers)	120,920	50,969	108	171,997
Current taxes payable	2,446	-	-	2,446
Financial derivatives	-	40,796	-	40,796
Other payables and credit balances	70,898	-	1	70,899
	278,070	91,765	109	369,944
Non-current liabilities				
Loans from banking corporations	19,363	-	-	19,363
Lease liabilities	708,966	-	-	708,966
Liabilities for employee benefits	3,992	-	-	3,992
	732,321	-	-	732,321
Equity				
Equity attributable to Company's shareholders	280,166	-	-	280,166
Minority interests	6,253	-	-	6,253
Total equity	286,419	-	-	286,419
	1,296,810	**91,765**	**109**	**1,388,684**

The above figures represent the Company'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 of profit and loss.

(*) The consumer price index does not have a material impact on the Company's operating results.

MAX

Dream Big, Pay Small

Chapter C

INTERIM CONSOLIDATED FINANCIAL STATEMENT AS OF JUNE 30, 2026

Max Stock Ltd.

Interim Consolidated Financial Statements

As of June 30, 2026

Unaudited

Max Stock Ltd.

Interim Consolidated Financial Statements as of June 30, 2026

Unaudited

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

Introduction

We have reviewed the attached financial information for Max Stock Ltd. (hereinafter - the Company) and its subsidiaries (hereinafter - the Group), including the condensed consolidated statement of financial position as of June 30, 2026, as well as the condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash-flow for the six and three month periods ended on the same date. The board of directors and management are responsible for the preparation and presentation of financial information for these interim periods in accordance with International Accounting Standard IAS 34, "Interim Financial Reporting", and are also responsible for the preparation of financial information for these interim periods in accordance with Chapter D of the Securities Regulations (Periodic and Immediate Reports), 1970. Our responsibility is to express a conclusion regarding the financial information for these interim periods, 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 auditing 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 Chapter D of the Securities Regulations (Periodic and Immediate Reports), 1970.

Respectfully,

Haifa,
August 10, 2026

Kost Forer Gabbay & Kasierer
Auditors

Condensed Consolidated Statements of Financial Position

	As of June 30		As of December 31
	2026	2025	2025
	Unaudited		Audited
	ILS 000's		
Current assets			
Cash and cash equivalents	132,499	92,606	161,847
Trade receivables (customers)	133,679	103,603	125,140
Current taxes receivable	4,206	4,809	4,047
Other receivables and debit balances	11,383	9,705	5,974
Inventory	244,382	202,595	210,197
	526,149	413,318	507,205
Non-current assets			
Long-term loans	2,377	2,522	2,622
Fixed assets (property, plant and equipment), net	136,789	131,855	133,798
Right-of-use assets, net	696,597	714,547	698,491
Deferred taxes, net	26,772	18,498	24,595
	862,535	867,422	859,506
	1,388,684	**1,280,740**	**1,366,711**
Current liabilities			
Credit from banking corporations	11,512	14,199	12,480
Lease liabilities	72,294	66,267	69,774
Trade payables (liabilities to vendors, suppliers and service providers)	171,997	124,708	168,302
Current taxes payable	2,446	2,142	1,422
Financial derivatives	40,796	10,478	20,037
Other payables and credit balances	70,899	57,026	70,647
	369,944	274,820	342,662
Non-current liabilities			
Loans from banking corporations	19,363	22,961	20,218
Loans from a shareholder of a subsidiary	-	2,522	-
Lease liabilities	708,966	721,137	707,875
Liabilities for employee benefits	3,992	3,350	3,992
	732,321	749,970	732,085
Equity			
Equity attributable to Company's shareholders	280,166	253,717	282,374
Minority interests	6,253	2,233	9,590
Total equity	286,419	255,950	291,964
	1,388,684	**1,280,740**	**1,366,711**

August 10, 2026			
Financial statements approval date	Zehavit Cohen Chairperson of the Board of Directors	Ori Max Director and CEO	Paz Oz CFO

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

Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income

	For the six-month period ended June 30		For the three-month period ended June 30		For the year ended December 31
	2026	2025	2026	2025	2025
	Unaudited		Unaudited		Audited
	ILS 000's (save for the data about net profit per share)				
Revenues from sales	779,997	675,361	378,994	336,288	1,427,083
Cost of goods sold	418,586	384,781	200,530	188,982	800,153
Gross profit	361,411	290,580	178,464	147,306	626,930
Sales and marketing expenses	173,358	155,030	86,430	75,654	326,960
General and administrative expenses	33,991	31,030	15,104	14,855	67,050
Other income	-	(539)	-	-	(3,694)
Other expenses	-	4,027	-	25	5,697
Operating profit	154,062	101,032	76,930	56,772	230,917
Financing revenues	(6,025)	(6,165)	(4,577)	(3,544)	(10,578)
Financing expenses	49,235	28,401	35,586	24,980	64,460
Profit before taxes on income	110,852	78,796	45,921	35,336	177,035
Taxes on income	25,042	19,430	10,008	7,805	39,470
Net profit	85,810	59,366	35,913	27,531	137,565
Total other comprehensive income (loss):					
Amounts not to be reclassified to profit or loss:					
Loss from remeasurement of defined benefit plan	-	-	-	-	142
Amounts classified or reclassified as profit or loss under specific conditions:					
External ops translation effects	14	(764)	(602)	431	490
Total comprehensive income	85,824	58,602	35,311	27,962	138,197
Net profit attributable to:					
Shareholders of the Company	78,313	53,298	32,598	24,021	124,917
Minority interests	7,497	6,068	3,315	3,510	12,648
	85,810	59,366	35,913	27,531	137,565
Total comprehensive income attributable to:					
Shareholders of the Company	78,324	52,725	31,999	24,344	125,414
Minority interests	7,500	5,877	3,312	3,618	12,783
	85,824	58,602	35,311	27,962	138,197
Net profit per share attributable to shareholders of the Company (ILS)					
Basic net profit	0.56	0.38	0.23	0.17	0.89
Diluted net profit	0.56	0.38	0.23	0.17	0.89

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

Condensed Consolidated Statements of Changes in Equity

	Attributable to shareholders of the Company										
	Share capital		Premium for shares	Reserve for share-based payments	Treasury stock	External ops translation effects	Reserve for transactions with minority shareholders	Reserve for remeasurement of defined benefit plans	Retained earnings	Total	Minority interests	Total equity
	Unaudited											
	ILS 000's											
Balance as of January 1, 2026 (audited)	**-**	**(*)**	**55,011**	**10,548**	**(19,900)**	**1,080**	**(14,693)**	**(259)**	**250,587**	**282,374**	**9,590**	**291,964**
Net profit	-		-	-	-	-	-	-	78,313	**78,313**	7,497	**85,810**
Other comprehensive income	-		-	-	-	11	-	-	-	**11**	3	**14**
Acquisition of minority interests	-		-	-	-	-	(430)	-	-	**(430)**	430	**-**
Cost of share-based payments	-		-	25	-	-	-	-	-	**25**	-	**25**
Exercise of options	-		1,492	(1,492)	-	-	-	-	-	**-**	-	**-**
Transactions with minority shareholders	-		-	-	-	-	(127)	-	-	**(127)**	127	**-**
Dividend to Company shareholders	-		-	-	-	-	-	-	(80,000)	**(80,000)**	-	**(80,000)**
Dividend to minority shareholders	-		-	-	-	-	-	-	-	**-**	(11,394)	**(11,394)**
Balance as of June 30, 2026	**-**	**(*)**	**56,503**	**9,081**	**(19,900)**	**1,091**	**(15,250)**	**(259)**	**248,900**	**280,166**	**6,253**	**286,419**

(*) 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 Changes in Equity

	Share capital	Premium for shares	Reserve for share-based payments	Treasury stock	External ops translation effects	Reserve for transactions with minority shareholders	Reserve for remeasurement of defined benefit plans	Retained earnings	Total	Minority interests	Total equity
	Attributable to shareholders of the Company										
	Unaudited										
	ILS 000's										
Balance as of January 1, 2025 (audited)	**- (*)**	**51,647**	**13,815**	**(19,900)**	**712**	**(10,620)**	**(388)**	**235,675**	**270,941**	**5,659**	**276,600**
Net profit	-	-	-	-	-	-	-	53,298	**53,298**	6,068	**59,366**
Total other comprehensive loss	-	-	-	-	(573)	-	-	-	**(573)**	(191)	**(764)**
Cost of share-based payments	-	-	51	-	-	-	-	-	**51**	-	**51**
Exercise of options	-	749	(749)	-	-	-	-	-	**-**	-	**-**
Dividend to Company shareholders	-	-	-	-	-	-	-	(70,000)	**(70,000)**	-	**(70,000)**
Dividend to minority shareholders	-	-	-	-	-	-	-	-	**-**	(9,303)	**(9,303)**
Balance as of June 30, 2025	**- (*)**	**52,396**	**13,117**	**(19,900)**	**139**	**(10,620)**	**(388)**	**218,973**	**253,717**	**2,233**	**255,950**

(*) 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 Changes in Equity

	Attributable to shareholders of the Company										
	Share capital	Premium for shares	Reserve for share-based payments	Treasury stock	External ops translation effects	Reserve for transactions with minority shareholders	Reserve for remeasurement of defined benefit plans	Retained earnings	Total	Minority interests	Total equity
	Unaudited										
	ILS 000's										
Balance as of April 1, 2026	**- (*)**	**55,046**	**10,528**	**(19,900)**	**1,690**	**(15,250)**	**(259)**	**216,302**	**248,157**	**14,286**	**262,443**
Net profit	-	-	-	-	-	-	-	32,598	**32,598**	3,315	**35,913**
Other comprehensive income	-	-	-	-	(599)	-	-	-	**(599)**	(3)	**(602)**
Cost of share-based payments	-	-	10	-	-	-	-	-	**10**	-	**10**
Exercise of options	-	1,457	(1,457)	-	-	-	-	-	**-**	-	**-**
Dividend to minority shareholders	-	-	-	-	-	-	-	-	**-**	(11,345)	**(11,345)**
Balance as of June 30, 2026	**- (*)**	**56,503**	**9,081**	**(19,900)**	**1,091**	**(15,250)**	**(259)**	**248,900**	**280,166**	**6,253**	**286,199**

(*) 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 Changes in Equity

	Attributable to shareholders of the Company										
	Share capital	Premium for shares	Reserve for share-based payments	Treasury stock	External ops translation effects	Reserve for transactions with minority shareholders	Reserve for remeasurement of defined benefit plans	Retained earnings	Total	Minority interests	Total equity
	Unaudited										
	ILS 000's										
Balance as of April 1, 2025	**- (*)**	**51,702**	**13,788**	**(19,900)**	**(184)**	**(10,620)**	**(388)**	**194,952**	**229,350**	**7,918**	**237,268**
Net profit	-	-	-	-	-	-	-	24,021	**24,021**	3,510	**27,531**
Other comprehensive income	-	-	-	-	323	-	-	-	**323**	108	**431**
Cost of share-based payments	-	-	23	-	-	-	-	-	**23**	-	**23**
Exercise of options	-	694	(694)	-	-	-	-	-	**-**	-	**-**
Dividend to minority shareholders	-	-	-	-	-	-	-	-	**-**	(9,303)	**(9,303)**
Balance as of June 30, 2025	**- (*)**	**52,396**	**13,117**	**(19,900)**	**139**	**(10,620)**	**(388)**	**218,973**	**253,717**	**2,233**	**255,950**

(*) 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 Changes in Equity

	Attributable to shareholders of the Company										
	Share capital	Premium for shares	Reserve for share-based payments	Treasury stock	External ops translation effects	Reserve for transactions with minority shareholders	Reserve for remeasurement of defined benefit plans	Retained earnings	Total	Minority interests	Total equity
	Audited										
	ILS 000's										
Balance as of January 1, 2025	**- (*)**	**51,647**	**13,815**	**(19,900)**	**712**	**(10,620)**	**(388)**	**235,675**	**270,941**	**5,659**	**276,600**
Net profit	-	-	-	-	-	-	-	124,917	**124,917**	12,648	**137,565**
Other comprehensive income	-	-	-	-	368	-	129	-	**497**	135	**632**
Acquisition of minority interests	-	-	-	-	-	(910)	-	-	**(910)**	(151)	**(1,061)**
Cost of share-based payments	-	-	97	-	-	-	-	-	**97**	-	**97**
Exercise of options	-	3,364	(3,364)	-	-	-	-	-	**-**	-	**-**
Conversion of minority shareholder loan into equity	-	-	-	-	-	-	-	-	**-**	2,605	**2,605**
Transactions with minority shareholders	-	-	-	-	-	(3,163)	-	-	**(3,163)**	3,163	**-**
Dividend to Company shareholders	-	-	-	-	-	-	-	(110,005)	**(110,005)**	-	**(110,005)**
Dividend to minority shareholders	-	-	-	-	-	-	-	-	**-**	(14,469)	**(14,469)**
Balance as of December 31, 2025	**- (*)**	**55,011**	**10,548**	**(19,900)**	**1,080**	**(14,693)**	**(259)**	**250,587**	**282,374**	**9,590**	**291,964**

(*) 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 six-month period ended June 30		For the three-month period ended June 30		For the year ended December 31
	2026	2025	2026	2025	2025
	Unaudited		Unaudited		Audited
	ILS 000's				
Cash-flows from operating activities					
Net profit	85,810	59,366	35,913	27,531	137,565
Adjustments required to present cash-flows from operating activities (a)	22,119	73,297	18,651	43,016	153,931
Net cash deriving from operating activities	107,929	132,663	54,564	70,547	291,496
Cash-flows from investment activities					
Acquisition of fixed assets (property, plant and equipment)	(12,442)	(17,224)	(5,354)	(9,841)	(28,410)
Proceeds from sale of fixed assets	-	645		358	1,166
Long-term loans	-	(197)	-	(34)	(296)
Net cash used for investment activities	(12,442)	(16,776)	(5,354)	(9,517)	(27,540)
Cash-flows from financing activities					
Obtaining long-term loans from banking corporations	4,000	-	-	-	2,000
Repayment of long-term loans from banking corporations	(5,656)	(9,603)	(2,148)	(6,389)	(15,561)
Obtaining short-term loans from banking corporations	4,000	-	4,000	-	-
Repayment of short-term loans from banking corporations	(4,167)	(333)	-	(250)	(837)
Lease payments	(31,619)	(30,621)	(15,205)	(14,909)	(60,052)
Receipt (repayment) of shareholder loans	-	(587)	-	366	722
Acquisition of minority interests	-	-	-	-	(1,061)
Dividend paid to minority shareholders	(11,394)	(9,303)	(11,345)	(9,303)	(14,469)
Dividend paid to Company shareholders	(80,000)	(70,000)	(80,000)	(70,000)	(110,005)
Net cash used in financing activities	(124,836)	(120,447)	(104,698)	(100,485)	(199,263)
Effect of exchange rate volatility on the balance of cash and cash equivalents	1	17	(588)	4	5
Increase (decrease) in cash and cash equivalents	(29,348)	(4,543)	(56,076)	(39,451)	64,698
Balance of cash and cash equivalents at beginning of period	161,847	97,149	188,575	132,057	97,149
Balance of cash and cash equivalents at end of period	132,499	92,606	132,499	92,606	161,847

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

Condensed Consolidated Statements of Cash Flows

	For the six-month period ended June 30		For the three-month period ended June 30		For the year ended December 31
	2026	2025	2026	2025	2025
	Unaudited		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	46,575	46,104	23,943	22,743	92,704
Financing expenses, net	22,451	10,737	12,077	5,284	32,824
Profit from derecognizing lease agreements	-	(539)	-	-	(3,694)
Decrease in fair value of financial derivatives	20,759	11,499	18,932	16,152	21,058
Cost of share-based payments	25	51	10	23	97
Change in liabilities for employee benefits, net	-	-	-	-	784
Taxes on income	25,042	19,430	10,008	7,805	39,470
Capital loss	-	2,344	-	655	1,528
	114,852	89,626	64,970	52,662	184,771
Changes in property and liability items:					
Decrease (increase) in trade receivables/customers	(8,539)	9,255	15,412	26,930	(12,282)
Decrease (increase) in receivables and credit balances	(5,409)	(776)	(1,238)	1,983	2,943
Decrease (increase) in inventory	(34,185)	38,097	(29,019)	5,671	30,482
Increase (decrease) in trade payables (liabilities to vendors, suppliers and service providers)	3,695	(23,868)	8,996	(10,884)	19,732
Receipts (payments) from settlement/exercise of financial derivatives	(10,856)	615	(7,738)	261	(7,247)
Increase (decrease) in other payables and credit balances	264	(2,971)	(15,254)	(13,753)	12,573
	(55,030)	20,352	(28,841)	10,208	46,201
Cash paid during the year for:					
Interest paid, net	(11,351)	(11,351)	(4,171)	(5,543)	(25,576)
Taxes paid, net	(26,352)	(25,330)	(13,307)	(14,311)	(51,465)
Total adjustments required to present cash-flows deriving from operating activities	22,119	73,297	18,651	43,016	153,931
(b) Non-cash material activity:					
Recognition of a right-of-use asset against a lease liability	35,231	77,382	35,287	71,402	98,884
Derecognizing a right-of-use asset against a lease liability	-	(4,133)	-	-	(4,611)
Conversion of shareholder loan into share premium	-	-	-	-	2,605

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. (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 IPO'd 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 "Mini Max" 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 June 30, 2026, and for the six and three month periods ended on the same date (the "**interim consolidated financial statements**"). These reports should be read in conjunction with the Company's annual consolidated financial statements as of December 31, 2025, and for the year ended on the same date and the accompanying notes (the "**annual consolidated financial statements**").

C. The impact of Operation "Roaring Lion" on the Group's activity

Against the backdrop of the ongoing tensions between Israel and Iran, on February 28, 2026, Operation Roaring Lion (the "**operation**" or "**Operation Roaring Lion**") commenced, as part of which Israel and the United States launched a coordinated attack against governmental symbols and military and governmental infrastructure in Iran. On March 2, 2026, hostilities in northern Israel resumed after Hezbollah joined the attack against Israel. The escalation in fighting led to the declaration of a special state of emergency on the home front and to the imposition of restrictions on the Israeli economy pursuant to Home Front Command directives prohibiting activities and gatherings, except for essential services. The ceasefire between Iran and Israel became effective on April 8, 2026, which has periodically been extended, and a provisional ceasefire between Israel and Hezbollah became effective on April 17, 2026 which has periodically been extended. The special state of emergency on the home front was fully lifted on April 19, 2026. A ceasefire framework agreement was signed between Lebanon, Israel and the US in June 2026. A round of negotiation talks was held between the US and Iran mediated by various countries subsequent to the ceasefire with Iran becoming effective, which subsequently resulted in a memorandum of understanding being signed by the parties in June. The US renewed its attacks on Iran in July 2026, *inter alia*, due to breach of the memorandum of understanding. As of the approval date of the financial statements, there is security tension between Iran and the US which has resulted in significant volatility in energy prices, including oil prices as well as volatility in forex rates.

Impact on the Company's stores

The Company's stores operated in a reduced manner throughout Operation Roaring Lion. As of April 10, 2026, the Company's branches were fully open and were operating as usual, other than the Company's branch in Kiriat Shmona (which is operated by a franchisee) which returned to full operations in the beginning of May 2026.

Based on the information available to it as of the approval date of the financial statements, and in light of the operating metrics (KPIs) examined by the Company and it meeting its cash-flow targets, the Company assesses that as of this stage Operation Roaring Lion did not have a material impact on the Company's activity.

NOTE 1: GENERAL (Cont.)

C. The impact of Operation "Roaring Lion" on the Group's activity (cont'd)

Impact on the supply chain

Operation Roaring Lion has also had an impact on the supply chains for goods for the Israeli economy, in the context of which the market remains sensitive to disruptions in trade routes and geopolitical developments. These have kept transit times elevated, continuing the impact of the Swords of Iron War, and contribute to the continued existence of a "risk premium" and price volatility during periods of security tension or operational uncertainty.

The Company assesses that the extended delivery times and volatile shipping costs are not having a material impact on the Company's results, *inter alia*, due to the fact that extensive leeway is built into the delivery schedule as part of the Company's ordering schedule.

Other than as stated above, the Company currently estimates that there are no additional material impacts as a result of Operation Roaring Lion on the supply chain and the aforementioned costs.

Other than as stated above, the Company currently estimates that there are no additional material impacts as a result of Operation Roaring Lion on the Company's operations. The resumption of high intensity fighting is liable to have additional broad implications on many different sectors and geographical areas in the country. In addition, potential volatility in commodity prices, foreign exchange rates, availability of materials, availability of workforce, local services and access to local resources may affect entities whose principal activities are conducted with or in Israel.

It should be noted that the Company is unable to reliably assess the scope of the future impact of the war and its macro-economic implications on the State of Israel, and hence its impact on the Company's operating activities, among other things, in light of the sharp volatility experienced by the markets, the uncertainty regarding the duration of the fighting, its severity, scope, the implications of the war on the Company's operating segments and additional measures which may be taken by the government. The Company's board of directors and management are continuing to closely monitor the Company's performance during the war, including scope of sales, the Company's ability to satisfy its liabilities upon maturity, manpower and reserve military call-ups, and to make the necessary adjustments.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

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 applied in preparing the interim consolidated financial statements are consistent with those applied in preparing the annual consolidated financial statements.

NOTE 3: SALES

	For the six-month period ended June 30		For the three-month period ended June 30		For the year ended December 31
	2026	2025	2026	2025	2025
	Unaudited		Unaudited		Audited
	ILS 000's				
Revenues from sales in owned stores	716,808	610,875	347,720	304,946	1,297,335
Revenues from sales to franchisees	53,532	54,123	26,573	26,714	109,087
Total revenues from sales [(2)]	**770,340**	**664,998**	**374,293**	**331,660**	**1,406,422**
Revenue from commissions/fees [(1)]	9,657	10,363	4,701	4,628	20,661
Total revenues	**779,997**	**675,361**	**378,994**	**336,288**	**1,427,083**

[(1)] The types of commissions in revenue from commissions include: Commissions from franchisee turnover, commissions on local supplier purchases attributed to purchases by franchisees and "shop in shop" commissions.

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

	For the six-month period ended June 30		For the three-month period ended June 30		For the year ended December 31
	2026	2025	2026	2025	2025
	Unaudited		Unaudited		Audited
	ILS 000's				
Office and school supplies	26,763	27,166	13,416	12,733	116,099
Toys and baby products	102,373	88,475	59,255	51,041	170,764
Disposable utensils, party products and storage containers	114,507	99,340	54,225	48,092	214,444
Homeware	212,105	192,909	95,355	96,146	378,381
Other	314,592	257,108	152,042	123,648	526,734
	770,340	**664,998**	**374,293**	**331,660**	**1,406,422**

NOTE 4: MATERIAL EVENTS DURING AND AFTER THE REPORTING PERIOD

A. Dividend declared

1. On March 15, 2026, the Company's board of directors approved the distribution of a dividend totaling ILS 0.5723422 per share and ILS 80,000 thousands in total, which was paid on April 15, 2026.

2. On August 10, 2026, the Company's board of directors approved the distribution of a dividend totaling ILS 0.3574116 per share and approximately ILS 50,000 thousands in total, which shall be paid on September 9, 2026.

B. Declaring the distribution of dividends to minority shareholders

During the reporting period, dividend distributions totaling approximately ILS 11,394 thousands were declared and paid to holders of minority interests in the Company's subsidiaries.

After the date of the statement of financial position, and as of the approval date of the financial statements, dividend distributions totaling approximately ILS 110 thousands were announced and paid to holders of non-controlling (minority) interests in the Company's subsidiaries.

C. Expiration of the shareholders' agreement and termination of the management services agreement

On January 8, 2026, as a result of Moose Holdco's shareholding in the Company falling below 10% of the Company's share capital, the shareholders' agreement expired in accordance with its terms. Ori Max and Moose Holdco ceased to be the controlling shareholders of the Company, and as of that date the Company no longer has a controlling shareholder. In addition, pursuant to the provisions of the management services agreement between the Company and Moose Holdco dated September 14, 2020, upon the termination of the shareholders' agreement as described above, the said management services agreement also terminated on January 8, 2026.

D. Transactions with interested and related parties

1. Further to that described in Note 28(C)(3) of the annual consolidated financial statements, as of May 2026, the son of the Company's CEO, Mr. Ori Max, has returned to work at the Company. The employment of Mr. Ori Max's son is in accordance with the Company's customary terms and conditions, is in an immaterial amount, and is reasonable in light of the scope of employment (which is not anticipated to be in a full-time role), the nature of the role and his skill-set.

2. Further to that described in Note 28(C)(2) to the annual consolidated financial statements, on August 10, 2026, the Company's board of directors approved the continuation of the engagement of a subsidiary with the sister of Mr. Ori Max, the Company's CEO and director. The sister's employment at the subsidiary is on the Company's customary terms and in immaterial amounts, with no change to her previous terms, which do not exceed the average monthly salary in the economy, and are reasonable in light of the scope of employment, the nature of the role and her skills.

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

D. Transactions with interested and related parties

3. Further to that described in Note 28(C)(1)(a) to the annual consolidated financial statements, on August 5 and 10, 2026, the Remuneration Committee and the Company's Board of Directors, respectively, approved amending the management agreement with a company owned by the CEO and interested party of the Company, effective as of October 1, 2026, subject to the approval of the general meeting expected to be held on September 15, 2026.

   Under said amendment the monthly management fees shall be updated to ILS 280 thousands plus VAT and linked to the Consumer Price Index known in October 2026. The annual net profit targets which serve as the basis for the annual bonus will also be amended effective as of January 1, 2027.

   It is clarified that the annual bonus for 2026 will be determined in accordance with the net profit targets set forth in the existing management agreement (prior to the proposed update), while the management fees to be used as the basis for calculating the bonus will be calculated as a weighted average of the monthly management fees paid during 2026, based on the ratio between the number of months in which the management fees were paid at their previous rate and the number of months in which the management fees were paid at their updated rate.

   The Amendment to the Agreement also includes the grant of equity compensation to the CEO and interested party, as described in Note 4E to this report below.

E. Employee Equity Incentive Plan

1. General

   Further to that described in Note 19 to the annual consolidated financial statements in connection with the employee option plan, on July 22, 2026, the Company's board of directors approved an amendment to the Company's option plan dated August 10, 2020, which expanded the types of equity incentive that may be granted thereunder, so that, in addition to the grant of options, the plan will also allow for the grant of restricted share units (RSUs) and performance share units (PSUs). As part of the amendment, the plan was updated to constitute an equity incentive plan for officers and employees of the Company, and the required adjustments will be made in order to regulate the grant of RSUs and PSUs. In addition, the plan was extended for an additional period of 6 years, so that it will remain in effect until August 9, 2036.

   On August 5, 2026 and August 10, 2026, the Company's remuneration committee and board of directors, respectively, approved the allocation of options exercisable into Company shares, restricted share units (RSUs) and performance share units (PSUs) to officers and employees of the Company, including the Company's CEO.

   The grant of the equity instruments to the Company's CEO, who is a director and an interested party of the Company, is subject to the approval of the Company's general meeting, which is expected to be held in September 2026.

   The grant of equity instruments to all offerees is subject to the approval of the Tel Aviv Stock Exchange Ltd. ("**TASE**") to list the exercise shares resulting from exercising the equity instruments.

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

E. Employee Equity Incentive Plan (cont'd)

2. Details of grants by grantee groups

Presented below are details of the grants under the plan:

Grantee group	No. of grantees	Equity instruments granted	% of Company's share capital	Total fair value ILS 000's
CEO and interested party	1	PSU + options	0.20%	5,250
Officers and VPs who are not officers	12	RSU + options	0.88%	23,099
Additional employees	23	Options	0.32%	6,473
Total	**36**		**1.40%**	34,822

Clarification regarding the basis for determining the grant

With respect to the CEO, the grant was determined based on a proposed total value of ILS 5,250 thousands, while the number of equity instruments to be granted will be derived from said value at the time of the general meeting. By contrast, with respect to the officers and additional employees, the number of instruments and their percentage of the Company's share capital constitute the basis for the grant, and the total fair value presented above is the result of the fair value measurement of those instruments as of the date of approval by the Company's board of directors.

3. Grant to the Company's CEO

Subject to the approval of the Company's general meeting and obtaining TASE approval, the equity compensation proposed for the CEO, who is also serving as a director and interested party of the Company by virtue of his holdings, consists of two types of equity instruments, as follows:

- Performance share units (PSUs), not listed on TASE, which, subject to the terms and conditions described below, are convertible into no par ordinary shares of the Company. This component consists of 50% of the value of the proposed equity incentive, in the amount of ILS 2,625 thousand.

- Unlisted options exercisable into no par ordinary shares of the Company. This component consists of 50% of the value of the proposed equity incentive, in the amount of ILS 2,625 thousand.

The number of equity instruments to be granted to the Company's CEO shall be derived from said fair value, i.e., ILS 5,250 thousands, at the time of the general meeting.

The PSUs are subject to the continued provision of services to the Company as well as to the achievement of a market-based performance target.

The performance target in this regard: During the vesting period, even once, the average closing price of the Company's shares over 30 consecutive trading days is at least 20% higher than the Company's closing share price on the last trading day prior to the grant date (the "**Performance Target**").

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

E. Employee Equity Incentive Plan (Cont.)

3. Grant to the Company's CEO (Cont'd)

Satisfaction of the performance target at any stage during the vesting period for the PSUs, shall entitle the CEO to all of the PSUs, in accordance with the established vesting mechanism (see section 7 below), including in respect of tranches whose vesting date has already passed. Accordingly, if on the vesting date of a particular tranche the performance target has not yet been achieved, the entitlement in respect of that tranche will be preserved and will vest when the performance target is achieved, provided that this occurs during the vesting period. If the performance target is not achieved by the end of the vesting period, all unvested PSUs shall expire and will not confer the CEO any entitlement to Company shares.

Since the performance target relates to the price of the Company's share, this constitutes a market-based performance condition. Accordingly, the effect of the market condition is included in the measurement of the fair value of the PSUs as of the date of the general meeting.

4. Grants to officers and VPs who are not officers

Subject to obtaining TASE approval, the equity compensation to be granted to 8 officers and 4 VPs who are not officers of the Company, consists of the following equity instruments:

Type of instrument	Quantity	Vesting conditions	Percentage of the grant to officers and VPs who are not officers
RSUs	307,768	See Section 7 below	25%
Options for Company shares	923,308	See Section 7 below	75%

According to the valuation, the total fair value of the equity instruments to be granted to the officers and VPs who are not officers amounted to approximately ILS 23,099 thousand.

The RSUs and options to be granted to the officers and VPs who are not officers are only subject to service conditions and are not contingent upon meeting performance targets. The expense in respect thereof will be recognized over the vesting period, based on the fair value measured as of the date of the general meeting.

5. Grants to additional employees

Subject to obtaining TASE approval, the equity compensation to be granted to 23 additional employees includes the allocation of 443,460 options exercisable into 443,460 no par ordinary shares of the Company.

According to the valuation, the total fair value of the options to be granted to the additional employees amounted to approximately ILS 6,473 thousand.

The options to be granted to the additional employees are only subject to service conditions and are not contingent upon meeting performance targets. The expense in respect thereof will be recognized over the vesting period, based on the fair value measured as of the grant date.

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

E. Employee Equity Incentive Plan (Cont.)

6. Exercise Price

The exercise price for each option was determined according to the higher of: (a) the weighted average closing price of the Company’s shares on TASE during the 30 trading days preceding the date of the Board of Directors’ resolution on the allocation, dated August 10, 2026 (the "**Grant Date**"), i.e. ILS 35.63; or (b) the closing price of the Company’s shares on the last trading day preceding the Grant Date, i.e. ILS 35.14 Accordingly, the exercise price is ILS 35.63.

Each Restricted Share Unit that vests, in accordance with and subject to the vesting terms set forth below, will be automatically converted into one no par value ordinary share of the Company.

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

E. Employee Equity Incentive Plan (Cont.)

7. Vesting conditions

The vesting period for all of the equity instruments to be granted under the plan is five years from the relevant grant date for each grantee group.

The instruments will vest as follows:

Vesting percentage	Vesting date
50%	At the end of two and a half years from the grant date
10%	At the end of three years from the grant date
10%	At the end of three and a half years from the grant date
10%	At the end of four years from the grant date
10%	At the end of four and a half years from the grant date
10%	At the end of five years from the grant date

8. Expiration period of the options

The options granted under the plan are exercisable until the end of a period of 10 years from the grant date. Options that are not exercised by the end of the aforesaid expiration period will expire and will not confer any right on the holder thereof.

For the avoidance of doubt, this expiration period only relates to options. RSUs and PSUs are not options and do not include an exercise price or exercise period like options, but rather confer an entitlement to shares subject to the satisfaction of the vesting conditions and the additional conditions set out in the plan.

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

E. Employee Equity Incentive Plan (Cont.)

9. Fair value measurement

The fair value of the options for Company shares was measured as of the grant date using an accepted option-pricing model, based, *inter alia*, on the Company's share price on the grant date, the exercise price, expected volatility, the risk-free interest rate, the expected life of the options and the expected dividend yield.

The fair value of the RSUs was measured based on the Company's share price on the grant date, with the adjustments required in respect of the terms of the plan.

The fair value of the PSUs was measured as of the grant date taking into account the market condition embedded in the plan, i.e., the target of an increase in the Company's share price of at least 20% relative to the share price on the grant date, measured based on the average closing price over 30 consecutive trading days.

Presented below are the main assumptions used in measuring the fair value of the equity instruments granted during the year:

Parameter	PSU	RSU	Options
Share price on grant date	ILS 35.14	ILS 35.14	ILS 35.14
Exercise price	-	-	ILS 35.63
Share price performance target	20%	-	-
Expected volatility	-	-	34.19%
Risk-free interest rate	3.88%	3.88%	3.88%
Expected dividend yield	4.87%	4.87%	-
Early exercise coefficient	-	-	2, 2.8
Expected life / measurement period	-	-	7.5-8.6 years
Average fair value per instrument on grant date	ILS 24.38	ILS 30.13	ILS 16.35

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Chapter D

MANAGERS' DECLARATIONS ON FINANCIAL REPORTING AND DISCLOSURE AS OF JUNE 30, 2026

<u>Attached hereto is the Q2 2026 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:</u>

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 June 30, 2026 are:

1. Ori Max, CEO & Director;
2. Shlomo Cohen, Deputy CEO;
3. Paz Oz, CFO;
4. Ifat Nir-Katz, Chief Legal Officer & Corporate Secretary;
5. Elik Kaplan, Chief Logistics and Supply Chain Officer;
6. Ofir Edri, Chief Chain Stores Officer;
7. Shahar Kanizo, Chief Trade Officer;
8. Talia Sessler, Chief Corporate Development and Investor Relations Officer;
9. Roie Biton, Chief Sales 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 quarterly report regarding effectiveness of the internal control of financial reporting and disclosure that is attached to the quarterly report for the period ending on March 31, 2026 (hereinafter - the latest quarterly 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 March 31, 2026, 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 quarterly 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 quarterly 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.

August 10, 2026

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 Q2 2026 (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 quarterly report as of March 31, 2026) 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: August 10, 2026

Ori Max, CEO & Director

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

I, **Paz Oz**, 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 Q2 2026 (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 quarterly report as of March 31, 2026) 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: August 10, 2026	______________________ Paz Oz, CFO

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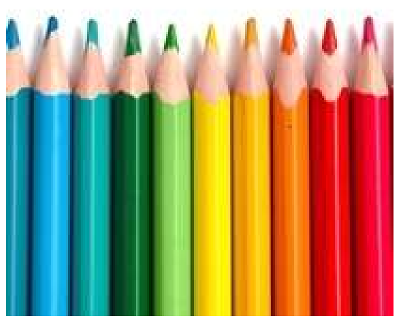

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