

Eurocash Group S.A.

The consolidated
annual report
for the year

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Part

A

Letter of the CEO

Dear Shareholders, Dear Employees, Ladies and Gentlemen,



We are pleased to present to you the first integrated report of the Eurocash Group. by combining financial and business results with environmental, social, and corporate governance aspects, we are able to take a new perspective on how the Eurocash Group impacts not only the industry in which it operates, but also the social environment, the natural environment, and its key stakeholders: employees, retailers, suppliers, consumers, and investors.

Thanks to this approach, in the following pages we share with you the most complete picture possible of our activities in 2024 – a year that was challenging for the entire food retail sector in Poland.

Following a sharp increase in inflation in 2023, consumers significantly reduced their spending on food. in response, the largest retail chains intensified their promotional activities, which considerably increased pressure on the local market. in this challenging environment, Eurocash remained consistent in its commitment to developing its core operations and related businesses in the spirit of sustainable development, while pursuing both ambitious financial targets and the adopted ESG goals.

As a leading FMCG wholesaler, we continued the integration of our wholesale operations – delivering benefits not only in terms of operational and cost efficiency, but also in terms of environmental impact. Key roles in this process were played by our POS systems and the EuroPlatform, both of which enhance collaboration with our partners and increase the transparency of business processes.

As the largest franchisor in Poland, in 2024 we established a purchasing group that significantly changed the bargaining position of local retailers in their interactions with the market. we also supported stores in preparing for the implementation of the deposit return system. Within our partner networks – ABC, Groszek, and Euro Sklep – we worked intensively on store integration and consumer-facing initiatives, while in Delikatesy Centrum we introduced a new store model and improved the management of our own locations by transferring them to independent agents. Lewiatan and Gama, in turn, successfully launched communication strategies rooted in local identity.

The year 2024 also marked further development of our key projects: Duży Ben and Frisco, the latter of which remains the leader in Poland's e-grocery market. Scaling our operations in these segments continues to translate into growing profitability and the strengthening of our market position.

To respond even more precisely and consciously to evolving ESG challenges, in 2024, as planned, we updated the Eurocash Group's Sustainability Strategy and adopted our Sustainability Policy. For the first time, this report describes our ESG activities in accordance with the requirements of the CSRD directive and the European Sustainability Reporting Standards (ESRS).

Internally, we remained focused on consistently building a safe and supportive working environment, promoting diversity and equality, and encouraging work-life balance. in the interest of transparency, we prepared a Code of Ethics and Conduct for Employees and launched a Whistleblower Trust Line. it is worth noting that in 2024, we were once again recognized among Poland's top employers and received the Top Employer Polska certificate. it was also another consecutive year in which Eurocash Group's employee engagement indicators improved relative to the industry.

In summary, in 2024 we not only weathered the economic slowdown, but also laid solid foundations for further growth. Thanks to the invaluable support of our employees, franchisees, and partners, we are strengthening our position year by year as the leader in food distribution and the largest franchisor in Poland – while also building an increasingly resilient, engaged, and sustainable community.

This report summarizes what we have collectively achieved in 2024.

I invite you to read it.

Yours faithfully,

Paweł Surówka

CEO

Eurocash Group



Part

B

Management Board report on the operations of the Eurocash Group and Eurocash S.A.

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1. SUMMARY OF EUROCASH GROUP OPERATIONS IN 2024

Table 1: Eurocash Group: summary of financial results for 2024

PLN million	2024	2023	Change
Revenue from sales of products, goods and materials	32 241,10	32 452,00	-0,70%
Gross profit on sales	4 309,90	4 409,20	-2,30%
Gross profitability on sales	13,40%	13,60%	-0,22 p.p.
EBITDA (EBIT + depreciation and amortization)	933,5	1 065,50	-12,40%
(EBITDA margin %)	2,90%	3,30%	-0,39 p.p.
Operating profit - EBIT	284,6	436	-34,70%
(Operating profit margin - EBIT %)	0,90%	1,30%	-0,46 p.p.
Gross profit	35,5	195	-81,80%
Net profit/loss	3,8	144,7	-97,30%
(Net profit margin %)	0,00%	0,40%	-0,43 p.p.

The parent company of the Eurocash S.A. Capital Group ("Group" or "Eurocash Group") is Eurocash S.A. (“Eurocash” or the “Company”). the sales revenues of the Eurocash Group amounted to PLN 32 241,1 million in 2024, 0.7% less than in the previous year. the gross margin of the Eurocash Group in 2024 decreased by 0.22 pp. y/y and amounted to 13.4%. EBITDA amounted to PLN 933.5 million in 2024 and decreased by 12.4% y/y. the net profit of the Eurocash Group reached PLN 3.8 million.

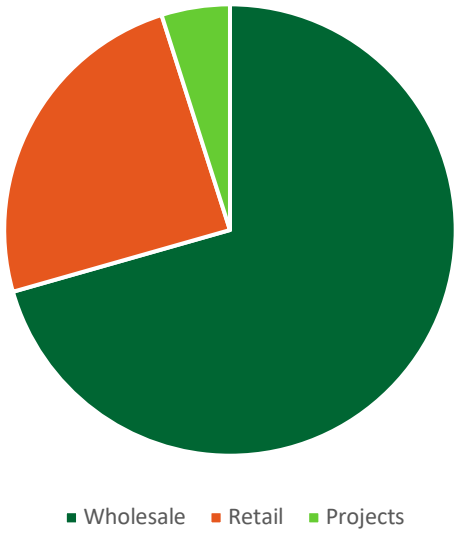
Eurocash Group business segments

The Eurocash Group operates exclusively within the territory of Poland, which, in terms of economic conditions and business risk, can be considered a homogeneous area. the Group distinguishes the following business segments:

- Wholesale;
- Retail;
- Growth Platforms (projects);
- Other.

Below we present the revenue structure from the sale of goods for the year 2024, broken down by business segments.

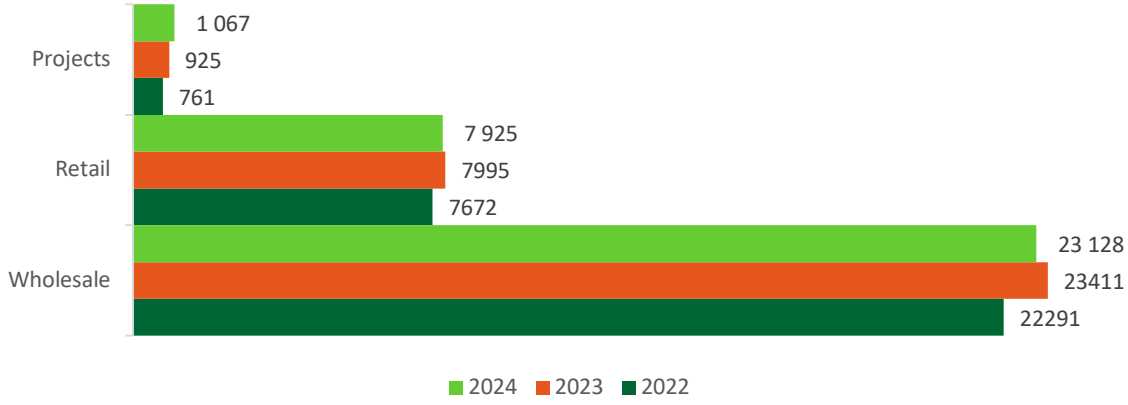
Chart 1. Eurocash Group: Revenue from sales of goods by retail, wholesale and project segment (%)



Source: own elaboration

The wholesale segment is the largest segment, generating 72% of the Group's revenues from the sale of goods. Retail segment in the Eurocash Group was responsible for 25% of sales revenues, while the Projects segment was responsible for 3%.

Chart 2. Eurocash Group: Revenue from sales of goods in the years 2022-2024 by segment (PLN million)



Source: own elaboration

Sales of goods in the wholesale segment in 2024 amounted to**: PLN 23.1 billion**, in comparison with **PLN 23,4 bilion** a year earlier, which translates into a decrease of **1.2% y/y**.

Sales of goods in the retail segment in 2024 amounted to **PLN 7.9 billion**, compared to **PLN 8.0 billion** in the previous year, down by **0.9% y/y**.

Sales of goods in the projects segment in 2024 reached **PLN 1,067 billion**, compared to **PLN 925 million** a year earlier, which translated into an increase of **15.4% y/y**.

2. BASIC INFORMATION ABOUT THE EUROCASH GROUP AND EUROCASH S.A.

2.1. Market environment

Key macroeconomic data

The Eurocash Group operates within the territory of Poland. the macroeconomic environment of the local economy has had, and will continue to have, a significant impact on the Group's financial performance and development.

The pace of economic development, the level of household income and other macroeconomic factors have a significant impact on the level of people's spending and domestic demand, thereby indirectly affecting the Group's sales revenue.

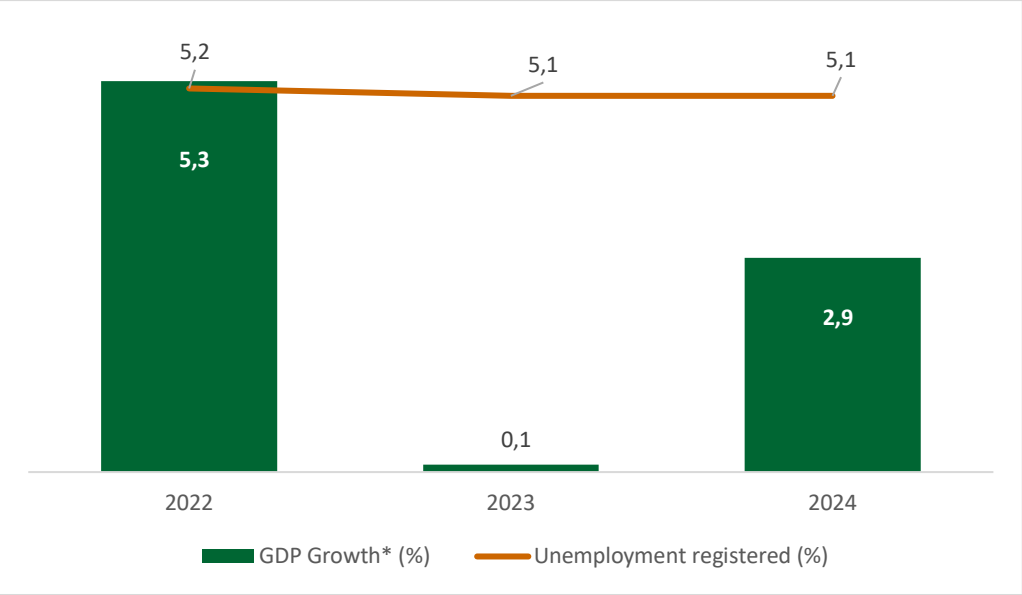
Table 2: Macroeconomic data in Poland

	2024	2023
GDP growth* (in %)	2,9	0,1
Registered unemployment** (in %)	5,1	5,1
Dynamics of the average monthly salary in PLN (in %)	20,5	17,8
Consumer price growth rates (in %)	3,6	11,4

Source: Central Statistical Office * CSO preliminary estimates ** Year-end balance.

In 2024, the Polish economy recorded a GDP growth of 2.9%, representing a significant improvement compared to 2023, when growth reached only 0.1%. a key driver of economic growth was the increase in consumption, supported, among other factors, by the stabilization of inflation and rising wages.

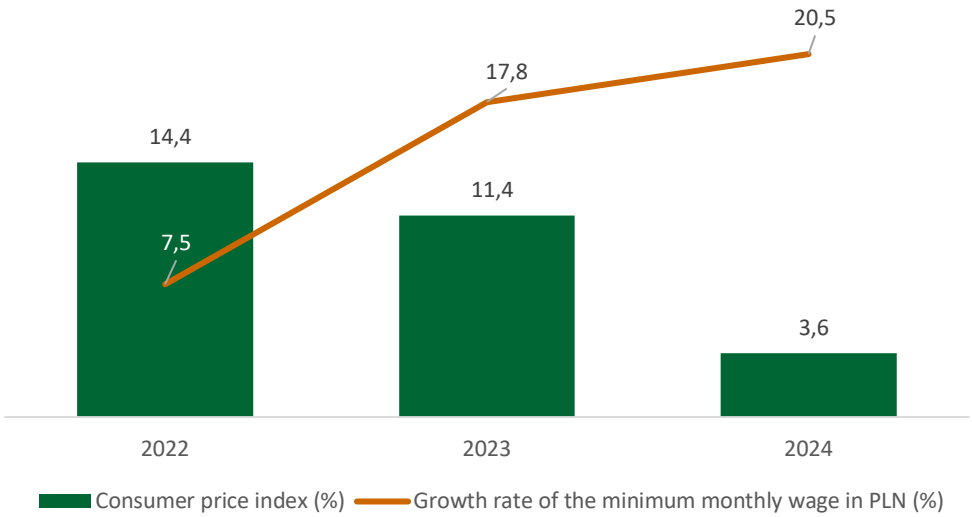
Chart 3. Macroeconomic data: GDP growth vs. registered unemployment



Source: Central Statistical Office

The registered unemployment rate in 2024 remained at 5.1%, indicating continued strong demand for labor despite a significant increase in the minimum wage, which rose by 20.5% in 2024 following a 17.8% increase in 2023.

Chart 4. Macroeconomic data: inflation vs. minimum wage growth in Poland



Source: Central Statistical Office, own elaboration

The inflation rate in 2024 stood at 3.6%, marking a significant decrease compared to 11.4% in the previous year. the slowdown in inflation was a key factor in stabilizing the economic environment and enabling more predictable market conditions for both businesses and consumers.

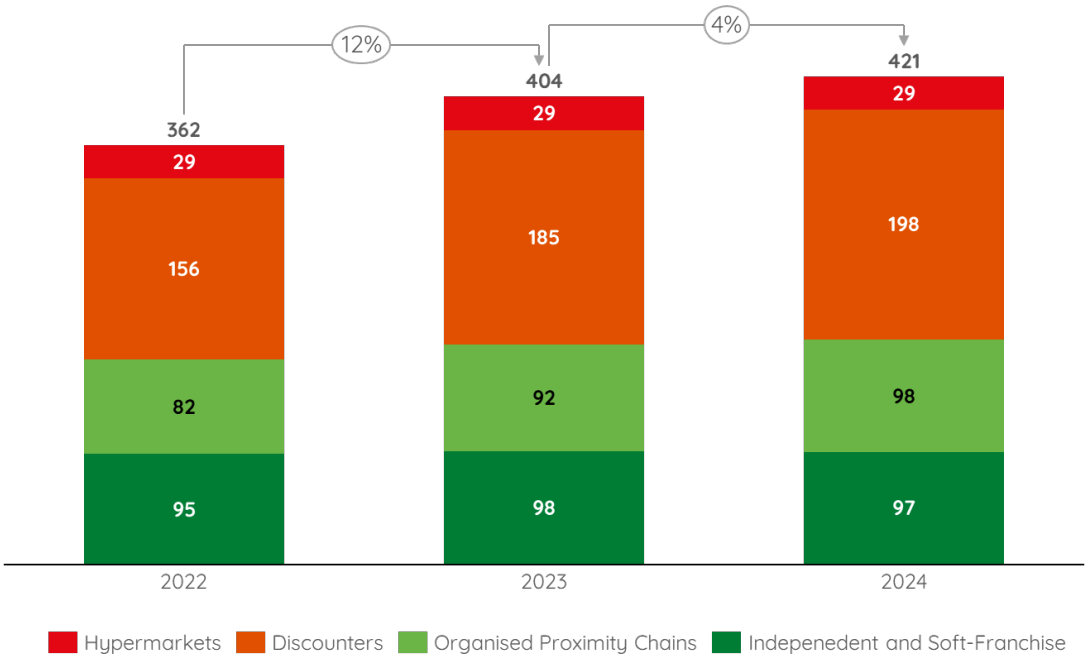
Polish FMCG market - general information

The FMCG (Fast Moving Consumer Goods) market in Poland comprises everyday consumer goods that are purchased frequently and typically have a relatively low unit price. This market includes, among others, food products, non-alcoholic and alcoholic beverages, tobacco products, household chemicals, and cosmetics.

The Polish FMCG market is one of the most dynamic and competitive sectors of the economy. it is highly sensitive to changes in consumer behavior, macroeconomic conditions, and transformations in the structure of retail trade.

In recent years, there has been a growing importance of modern retail formats such as discount stores, convenience stores, and e-commerce, alongside the increasing professionalization of the traditional independent retail channel.

Chart 5. Sales dynamics in the food market by distribution channel



Source: Eurocash's own analysis based on CMR data, market: all of Poland, value sales, category: total FMCG, 2022–2024.

The **FMCG market** in Poland shows a clear upward trend – its total value amounted to PLN 362 billion in 2022, PLN 404 billion in 2023, and PLN 421 billion in 2024. The largest contribution to this growth comes from **discount stores**, whose sales reached PLN 156 billion in 2022, PLN 185 billion in 2023, and PLN 198 billion in 2024.

The second fastest-growing category comprises **organised proximity store chains**, with sales amounting to PLN 82 billion in 2022, PLN 92 billion in 2023, and PLN 98 billion in 2024.

It is worth noting that despite a decline in market share, **independent grocery stores and stores operating under the soft-franchise model** have maintained a relatively stable level of sales – PLN 95 billion in 2022, PLN 98 billion in 2023, and PLN 97 billion in 2024. This indicates that the segment remains significant in terms of value, even though its growth has stagnated.

Hypermarkets have also maintained a stable level of sales over the analysed period, although at a significantly lower level – with revenues of approximately PLN 29 billion annually.

Market Trends in the Independent and Franchise Store Channel

Between 2022 and 2024, the FMCG market in Poland underwent significant structural transformations, reflecting changing consumer preferences, increasing competition, and growing efficiency pressures. The most dynamic changes have occurred in the Independent and Soft Franchise segment.

According to CMR, the number of retail outlets in this segment decreased by approximately 3.3 thousand in 2024 and 3.8 thousand in 2023. The smallest stores, which are not part of franchise networks and cannot meet the cost and technological requirements of the modern retail market, are the ones primarily exiting the market. Due to the ongoing professionalization of stores (mainly within franchise networks), the average sales per store have been steadily increasing, indicating a significant improvement in the productivity of the stores that remain operational.

Data confirms that small format stores that remain competitive are often those operating within a soft franchise model or benefiting from strong logistical and operational support. the key factors

for survival and growth in this channel are scale, network support, operational efficiency, and adaptation to consumer shopping trends.
The total sales value of independent and soft franchise stores has remained stable over the past three years, reaching approximately PLN 97 billion in 2024 compared to around PLN 95 billion in 2022. This indicates that despite the declining number of stores, the channel continues to play a vital role in the structure of the FMCG market.

Wholesale distribution of FMCG products

Wholesale companies operating in the market for the distribution of FMCG products compete primarily within the supply of traditional general stores, grocery specialty stores (butcher stores, bakeries, candy stores, fruit and vegetable stores, liquor stores, fish stores) and so-called alternative channels including kiosks, gas station stores and HoReCa (hotels, restaurants, catering).

The last three decades have witnessed a progressive consolidation of the market for wholesale distribution of FMCG products. the period of the last dozen years or so has seen a reduction in the number of wholesale companies involved in the sale of FMCG products to around 3-4 thousand entities currently operating.

According to Eurocash estimates, the Group's market share in the wholesale relevant market (primarily serving the independent stores and soft franchise segment), amounted to approximately 25% in 2024.

2.2. Eurocash Group structure and sales formats

Eurocash Group is the largest Polish capital group engaged in the wholesale distribution of food products and marketing support for independent Polish retail entrepreneurs. the franchise and partner networks supported by Eurocash Group bring together over 15,600 independent stores operating under such brands as ABC, Groszek, Delikatesy Centrum, Lewiatan, Euro Sklep or Gama.

Moreover, based on the ABC, Groszek, and Euro Sklep networks, the umbrella brand “Moje Sklepy” (“My Stores”) is being developed, which is used for communication with consumers, particularly through the mobile application “Moje Sklepy”.

Through a range of distribution formats, the Eurocash Group focuses its business on the wholesale distribution of goods to customers in all relevant segments of the traditional grocery market, particularly for retail stores, convenience stores, gas stations and restaurant, hotel and café chains.

Below we present the key financial and operating data of the Eurocash Group by the following segments and distribution formats:

Wholesale - wholesale distribution format:

- **Eurocash Distribution** - which includes:
  - Companies engaged in active distribution (Eurocash S.A., AMBRA Sp. z o.o., Polska Dystrybucja Alkoholi Sp. z o.o.) (in liquidation), which ceased operations during 2024;
  - Companies that organize and support franchise and partner networks of retail stores:
    - Eurocash Sieci Partnerskie Sp. z o.o. (formerly: Groszek Sp. z o.o.): ABC, Groszek, Euro Sklep chains;
    - Lewiatan network: Lewiatan Holding S.A., Lewiatan Podlasie Sp. z o.o., Lewiatan Śląsk Sp. z o.o., Lewiatan Zachód Sp. z o.o., Lewiatan Północ Sp. z o.o., Lewiatan Opole Sp. z o.o., Lewiatan Wielkopolska Sp. z o.o., Lewiatan Podkarpacie Sp. z o.o., Lewiatan Kujawy Sp. z o.o., Lewiatan Orbita Sp. z o.o.;
    - Partnered Retail Service S.A. (franchise system of Gama brand stores)

        - Innovative Trading Platform Ltd.
- **Cash&Carry** - nationwide chain of discount wholesale cash&carry stores;
- **Eurocash Service** - active distribution of tobacco products and impulse products through Eurocash Serwis Ltd;
- **Eurocash Gastronomy** - supplies for restaurant and hotel chains;
- **Other -** proceeds from the sale of Cerville Investments Sp. z o.o.

- **Retail -** Eurocash Group retail sales and Eurocash wholesale sales:
    - **Delikatesy Centrum**:
        - **Delikatesy Centrum franchise stores** - franchise system for retail stores under the "Delikatesy Centrum" brand, organized by Eurocash Franczyza Sp. z o.o. (sales and wholesale margin);
        - **Delikatesy Centrum own stores** - own stores, managed under companies: FHC-2 Sp. z o.o., Madas Sp. z o.o., Podlaskie Delikatesy Centrum Sp. z o.o. (merged with Delikatesy Centrum on 2 September 2024) Rogala Sp. z o.o. (Eurocash holds 50% of shares)
    - **Arhelan** Sp. z o.o. (Eurocash holds 50% of the shares)
    - **Lewiatan Partner** - own stores under the Lewiatan brand, managed by Partner Sp. z o.o. (Eurocash holds 100% of shares);
    - **Inmedio** - newsstands operating under the Inmedio and Inmedio Trendy brands.

Growth Platforms (Projects) - sales revenues generated by new projects carried out by Eurocash S.A. and subsidiaries: Frisco S.A., ABC na kołach Sp. z o.o., Duży Ben Sp. z o.o. in 2024, a decision was made to discontinue the development of the Kontigo project and to terminate the operations of Kontigo Sp. z o.o. by 31.12.2024. On December 16, 2024, the liquidation of the company was initiated.

Other - the activities of service and non-operating companies includes, including Eurocash VC3 Sp. z o.o., Akademia Umiejętności Eurocash Sp. z o.o. and general and administrative expenses incurred by the Group, not allocated to any segment.

Eurocash Group operations are concentrated in the area of Poland.

2.3. Number of establishments

As at 31 December 2024, the Eurocash Group's wholesale trade network comprised 170 Cash&Carry stores. Eurocash Cash&Carry stores are the main supply channel for the largest partner network organized by the Eurocash Group – the ABC chain, which at the end of 2024 had 7,169 outlets. Additionally 6,046 stores were associated in franchise and partner networks cooperating with Eurocash Distribution.

The retail chain consisting of both company-owned and franchise stores, included 1,452 small supermarkets (under 500m2), of which 1,412 operated under the Delikatesy Centrum brand, along with 411 stores under the Inmedio brand. at the end of 2024, there were 429 stores operating under the Duży Ben brand.

Table 3: Eurocash Group: number of facilities

	2024	2023	Change
"ABC" stores chain	7 169	7 367	-198
Franchise and partner networks*	6 046	5 797	249
Inmedio stores	411	432	-21
Small Supermarkets	1 452	1 511	-59
INCLUDING: Delikatesy Centrum brand	1 412	1 464	-52
Arhelan**	101	106	-5
Duży Ben	429	421	8
TOTAL RETAIL STORES	15 608	15 634	-26
Cash & Carry Wholesalers	170	177	-7

*Groszek, Euro Sklep, Lewiatan, Gama ** stores under the Arhelan brand Source: Own elaboration

2.4. Sales structure

Eurocash Group's sales are dominated by basic food and beverages (including soft drinks and alcoholic beverages). in 2024. the share of these products amounted to about 59% of the sales value. the second most important commodity group were impulse products (including tobacco products, phone cards and prepaid top-ups), whose share in 2024 was approx. 38%. the rest – approx. 2% – were non-food products, including mainly cosmetics, household chemicals, OTC medicines and other.

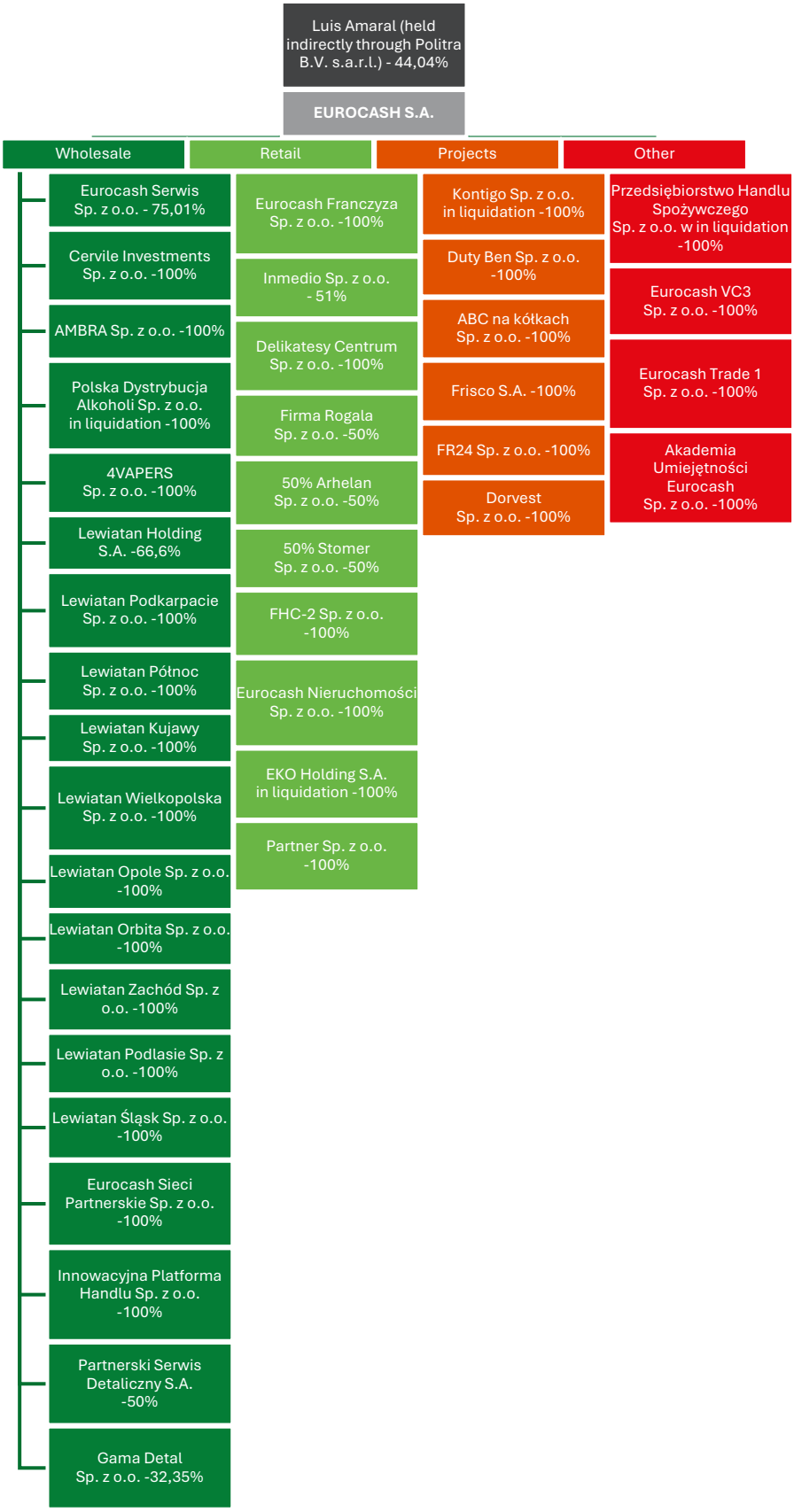
2.5. Capital links of the Eurocash Group

The main shareholder of Eurocash is Mr Luis Amaral (directly and indirectly) holding as at 31.12.2024 44.04% of the Company's shares, who has served as Chairman of the Company's Supervisory Board since June 30, 2022.

Detailed information on the organization of the Eurocash Group with an indication of the entities subject to consolidation is included in the notes to the annual consolidated financial statements.

The majority of the Group's sales are generated by Eurocash. the diagram presented in Chart 8 presents the structure of the Group and its subsidiaries of Eurocash as at 31.12.2024

Chart 6. Eurocash Group: organizational structure as of 31.12.2024



3. DEVELOPMENT PROSPECTS OF EUROCASH GROUP

3.1. Assumptions of the strategy

The Management Board of Eurocash Group, through its actions, aims at sustainable development of the Group's business and its customers. the overriding goals of Eurocash Group are to ensure the competitiveness of independent retail stores in Poland, to offer added value to the Group's customers and to increase the Group's value for its shareholders.

In August 2022, the Company published the Strategy for Eurocash Group 2023-2025, adopted by the Management Board. According to it, Eurocash Group in 2023-2025 will focus on further development of its core business:

- in the area of Wholesale: the Eurocash Group's goal is to further develop omnichannel wholesale (multi-channel sales), which is expected to lead to increased loyalty of B2B customers, further building of cost and sales synergies, and, consequently, to improve purchasing conditions and double B2B e-commerce sales; Eurocash intends to strengthen its leading position on the wholesale market in Poland and significantly increase its customers' sales in this segment;

- w the area of Franchising (organizer of franchise and partner networks): concentrating investments in the development and positioning of franchise and partner networks, increasing the number of networked stores and market share; further development of Delikatesy Centrum based on the franchise system, including with partners;
- the third direction of the Group's development will be the technology platform: an integrated loyalty program, the creation of a leading POS platform in independent retail, and growth of e-commerce sales by Frisco.

- an important element of the Strategy also includes actions within the framework of responsible development (described in detail in Chapter 8: Sustainability Reporting of the Eurocash Group).

At the same time, the Company's Management Board decided to focus on improving the profitability of non-core/non-strategic operations - which include Delikatesy Centrum's own store segment, reducing or discontinuing its development.

The Management Board of Eurocash will aim to stabilise the financing structure at a ratio of 1.5x Net Debt/EBITDA (before IFRS 16), with temporarily higher ratio levels to take advantage of the opportunity to increase market share. Eurocash's objective is to return to regular dividend payments to shareholders, with the terms and amount of the dividend taking into account the terms and structure of the financing to which the Group is party.

The Group pursues its strategy through:

- meeting customer needs using a variety of distribution formats and forms of cooperation, and providing customers with the expected level of quality and service;
- creating sustainable competitive advantages for the Group through economies of scale;
- systematic cost optimization and integration of the operating systems of all business units operating within the Group.

Within the wholesale business, the Eurocash Group is focusing on integrating the different business units, sharing the best solutions developed by each format and realising group synergies. a merger of the Eurocash Dystrybucja and Eurocash Cash & Carry business units was prepared in 2023 and implemented at the beginning of January 2024. This merger will enable the creation of an omnichannel wholesaler that will respond to the shopping needs of entrepreneurs in different channels.

In order to maintain the competitiveness of independent store trade in Poland, Eurocash Group is developing innovative projects. After successfully implemented concepts in previous years, such as Faktoria Win or the distribution of fresh products, the Company decided to develop Duży Ben (alcohol stores run in the agency model) and Frisco (e-commerce). at the same time, in December 2024, Kontigo operations were discontinued and Kontigo sp. z o.o. was put into liquidation.

In accordance with current report No. 16/2024 of 14.11.2024, Eurocash Group intends to continue the implementation of the Strategy in 2025, however, in view of current market trends and updated plans for 2025, it may not be possible to achieve the financial results assumed for 2025, in particular EBITDA of PLN 1 billion and Frisco's revenues of PLN 1 billion.

In relation to the above, the Management Board of Eurocash does not plan to publish forecasts of results for 2025, in particular with regard to the EBITDA result.

3.2. Risks and threats; factors affecting the development of Eurocash Group and Eurocash S.A.

The financial risks are described in Note 34 to the consolidated financial statements for 2024, which is part of the Eurocash Group's annual report, and in Section 2.1 and Note 35 of the separate financial statements for 2024.

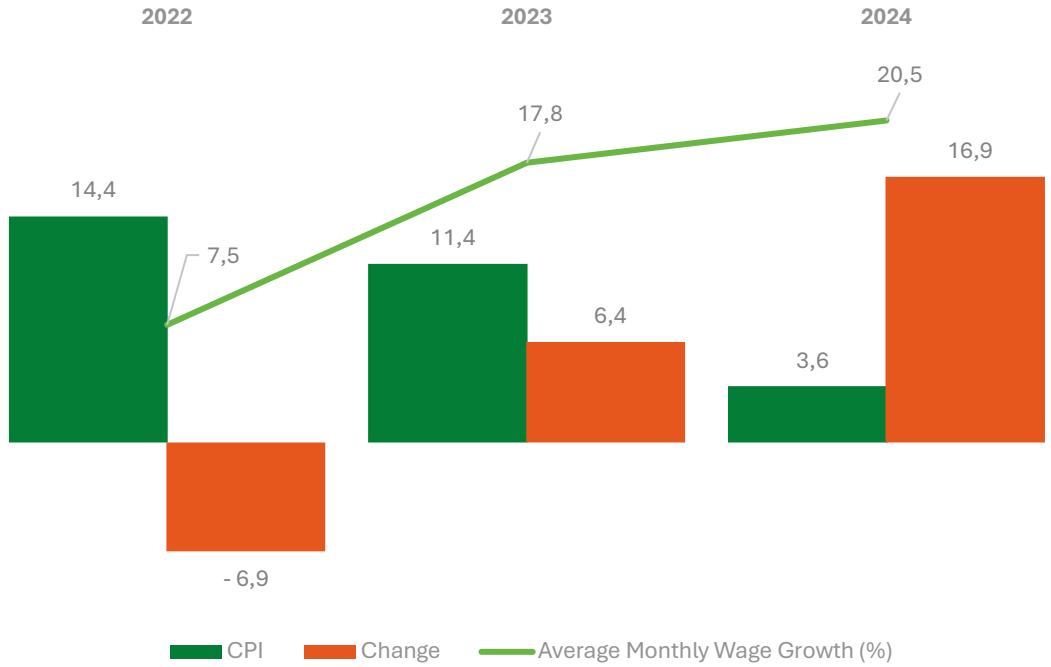
3.2.1. External factors

Macroeconomic situation. the purchasing power of the population.

The slowdown in economic growth, the decline in purchasing power, and the reduction of household consumption expenditure may negatively impact the sales volume of the Eurocash Group.
This impact is partially mitigated by the increase in wages and social transfers, in particular the rise in the minimum wage and the implementation of the "800+" program. the Management Board continuously monitors budget execution, analyzing both the achievement of sales plans and the challenges related to rising costs, taking appropriate actions in response to emerging risks.
Economic growth in Poland, measured by real GDP growth, amounted to 2.9% in 2024 according to preliminary data from Central Statistical Office (CSO), compared to 0.1% in 2023. the year 2024 was marked by a significant slowdown in inflation dynamics — the inflation rate stood at 3.6%, compared to 11.4% in 2023. Food and non-alcoholic beverage prices increased by 3.3%, while prices of alcoholic beverages and tobacco products rose by 4.8%.
According to preliminary CSO data, economic growth in Poland, measured by GDP growth in constant prices, amounted to 2.9% in 2024, compared to 0.1% in 2023. the year 2024 was characterized by a significant decrease in inflation dynamics — the inflation rate amounted to 3.6% compared to 11.4% in 2023. the prices of food and non-alcoholic beverages increased by 3.3%, and the prices of alcoholic beverages and tobacco products by 4.8%.
According to projections by the National Bank of Poland (NBP), inflation is expected to rise to 5.6% in 2025. Additionally, the planned excise tax increases in 2025 on tobacco products, novel tobacco products (NTP), and alcoholic beverages may impact the sales levels and margins achieved by the Eurocash Group in these product categories.

The Management Board of the Eurocash Group will closely monitor potential risks related to the possibility of a renewed significant increase in inflation and changes in monetary policy, which may affect consumer confidence and the dynamics of household spending.

Chart 7. Macroeconomic data: inflation vs. minimum wage growth in Poland



Source: Central Statistical Office, own elaboration

The operations of businesses in Poland are also significantly affected by the rising costs of doing business, which are driven by increasing wage levels, indexed rental rates, and—given that a substantial portion of selling expenses is related to logistics—also by fuel and electricity prices. Significant changes in these costs may impact the Group's performance.

In 2024, the nominal wage growth was significantly higher than inflation – the increase in the minimum monthly wage reached 20.5%. the gap between the minimum wage growth and inflation in 2024 amounted to 16.9 percentage points.

In order to mitigate the impact of cost pressure on performance in 2024, the Group implemented a number of measures aimed at improving efficiency and reducing operating costs.

Growth of the FMCG market and changes in the market structure

The Group expects a further increase in the market share of discount distribution channels, however, the unfavorable impact of this process on the Group's revenues will be compensated by the increase in the value of the FMCG market and consolidation on the wholesale and retail markets. the number of independent stores will continue to decrease, but those remaining on the market will become stronger and more professional.

In 2024, the independent and franchise store channel was a significant form of FMCG retail distribution. the relatively high share (compared to other European countries) is the result of the low concentration of the population in the country, as well as the still small living space, resulting in more frequent purchases. This situation is beneficial for the Eurocash Group, for which small and medium-sized stores located outside large agglomerations are the most important group of customers. an increase in the share of large-format distribution, in particular the expansion of discount stores, which in 2024 are responsible for approximately 47% of FMCG sales in Poland, may reduce the market in which the Eurocash Group operates.

War in Ukraine

The description of the impact of the war in Ukraine on the Company's operations is presented in detail in note No. 38 of the separate financial statements of Eurocash for 2022, published on March 27, 2023. in the audited period, there were no new factors or events related to the Ukrainian market that had a significant impact on the Company's operations. Since the outbreak of the war, the Company has ceased business contacts with contractors from Russia and Belarus.

However, it cannot be ruled out that a possible escalation of military operations in Ukraine by Russian troops will have a negative impact on the Group's market environment, among others. through disruptions in supply chains and the resulting shortages of raw materials at producers, migration movements in Poland or the mood among Polish consumers.
The Group's Management Board monitors the situation on an on-going basis in order to take actions, if necessary, to minimize the negative impact of the above-mentioned. threats to the Group's operations.

Financial liquidity and financing

The liquidity risk management policy is to ensure that the Group has the necessary funds to meet its financial and investment obligations when they fall due, without incurring reputational risks and unnecessary losses. the Group's goal is to maintain a balance between continuity, flexibility and cost-effectiveness of financing by using a variety of sources, such as bank loans (including overdrafts), borrowings, bond issues, leasing agreements and reverse factoring. as part of its liquidity management, the Group uses reverse factoring agreements for its accounts payable, under which it factored invoices relating to purchases from selected suppliers. the basis for effective liquidity risk management in the Eurocash Group is an internal cash flow forecasting model. the Additional information on financing and the Group's exposure to the risk of loss of financial liquidity is presented in point 2.1.8 and note no. 34 to the consolidated financial statements for 2024 and information regarding financing are presented in note no. 20.

3.2.2. Internal factors

Cost Efficiency Program
In order to mitigate the impact of cost pressure on the results in 2024, the Group implemented measures to increase operational efficiency and reduce operating costs. in the coming years, this program will be continued, focusing on further optimization of processes and improvement of the Group's operational efficiency.

Integration of Wholesale
As part of its strategy, Eurocash Group plans to focus on its wholesale business. it plans to achieve cost and revenue synergies from deepening the integration of various wholesale formats. This requires it and reorganization projects in the areas of logistics, sales service, administration, among others. Estimates of potential synergies and their effective implementation are subject to risks.

Suppliers
Due to the range of products offered by the Eurocash Group and geographically diversified sales, the total number of the Group's suppliers is very large and in 2024. it included 1,214 domestic and foreign entities. Suppliers of branded products, which include leading producers and importers of FMCG products, are selected primarily based on their market shares, the importance of a given brand and coverage of individual product segments and regional diversity. Due to the specificity of the FMCG market and its competitiveness, the Group's operations are not dependent on individual suppliers, therefore the risk that termination or unfavorable changes in the terms of supply contracts could adversely affect the Eurocash Group's business operations and its financial results is limited.

Investments in strategic development projects

Eurocash Group continues to invest in the design segment, primarily through Duży Ben and Frisco concepts. the results of these projects may have a negative impact on the Group's current results. However, in the Management Board's opinion, there is a need to continue these investments in order to guarantee further growth in the long term and for them to gradually reach profitability.

Establishment of a tax capital group

On December 30, 2022, a decision was issued on the registration of the Tax Capital Group (PGK), as requested by the Company. the agreement itself was concluded on 15.11.2022 between Eurocash S.A. and selected subsidiaries and is valid for a fixed period, i.e. from 01.01.2023 to 31.12.2025, with the possibility of later extension. the Company assumes that the implementation of the project for the establishment of PGK will result in the facilitation of tax settlements and reduction of tax liabilities of Eurocash Group companies.

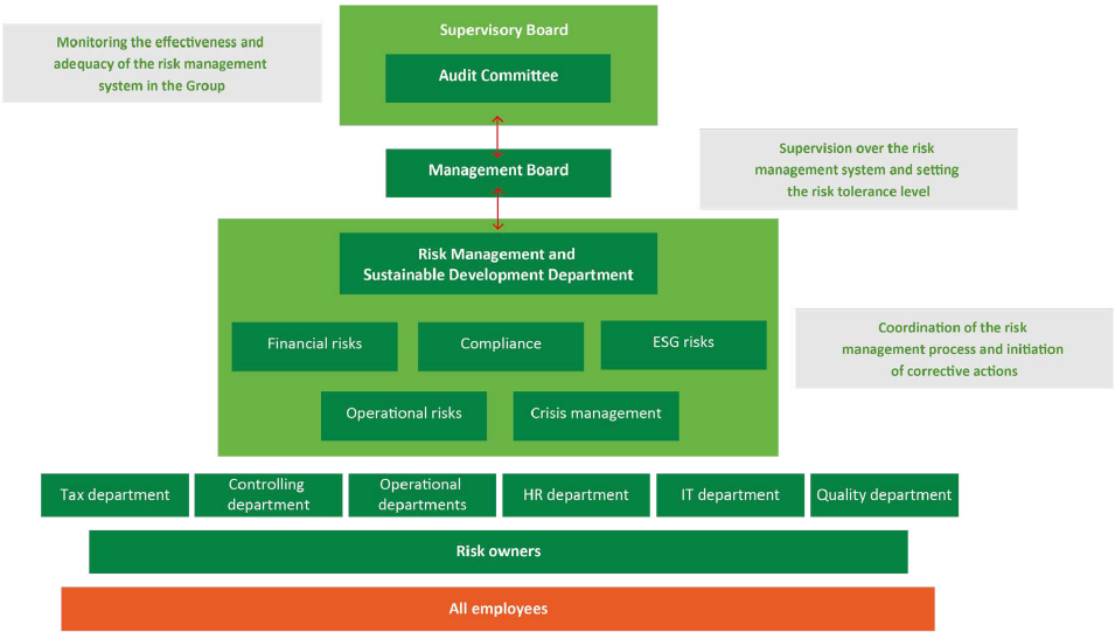
Other than the information described in this report, there are no other significant factors that could affect the financial position of the Eurocash Group in the next year.

3.3. Risk management

The Eurocash S.A. Capital Group has implemented a risk management system based on developed mechanisms and tools relating to the main business processes taking place in the Group and external factors affecting the Group.

The risk management system is based on: identifying, measuring and assessing risks, monitoring their level and reporting to governing bodies. Identification of risk factors is carried out on a continuous basis and at all levels of the organizational structure. On the basis of risk analysis and assessment, mechanisms are developed to minimize the consequences of undesirable events and financial losses.

Chart 8. Eurocash Group: Structure of the risk management system



Eurocash Group operates a risk management system that covers all aspects of the business of its member units. The purpose of the implemented system is to ensure that the Eurocash Group's objectives can be achieved and also to provide adequate support for the creation of strategies

as well as decisions taken. As part of the Group's risk management process, regular meetings are held with the Management Board to discuss the most important issues in the area of risk management.
The system is based on key foundations such as risk identification, assessment taking into account both the impact and likelihood of an event, appropriate reporting and communication within the organization, addressing actions and also assigning responsibilities within the Group. This is done within defined risk areas with assigned responsibilities within each area.

The implemented solutions are subject to a unified system of assessments, to which appropriate actions are assigned to address the identified risks, depending on the level of assessment obtained. The continuous risk monitoring that has been implemented refers to both internal and external factors. Thus, such factors affecting the Group's operations as the conflict in Ukraine, the impact of pandemics, the impact of wage pressures, financial costs and others are also analyzed. The key ones are described in detail in subsection 3.2.

Table 4: Risk management system

RISK AREA	EXAMPLE of RISK	RISK MONITORING and RISK MITIGATING ACTIONS
COMPLIANCE AND ETHICS	• risk of mobbing and discrimination • risk of conflict of interest • corruption risk • money laundering and terrorist financing risks • abuse risk • risk of working with unreliable and dishonest contractors	• implementation of policies against mobbing and discrimination • implementation of a process for managing conflicts of interest • implementation of the Anti-Corruption Policy • Implementation of procedures against money laundering and terrorist financing • implementation of a procedure for reporting violations • implementation of supplier verification procedure • implementation of education and awareness program in the area of compliance
LEGAL RISKS	• risk of violation of consumer rights • risk of violation of competition laws • risk of violating payment gridlock regulations • risk of violation of data protection regulations • risk of violation of regulated advertising and intellectual property laws • risk of violation of company secrets and confidential data • risk of violation of price marking regulations	• Policies and procedures for monitoring compliance with consumer rights and competition (antitrust) laws, as well as price regulations. • Training and raising legal awareness of employees especially on antitrust law and price marking (Omnibus Directive) • Implementation of an effective compliance system to monitor key risk factors on an on-going basis, monitor changes in the law, implement changes to internal regulations in accordance with changing legislation • Implementation of a system of periodic KRIs (key risk

	• risk of violation of the provisions of the Commercial Companies Code and concerning public companies • risk of violation of the Law on Upbringing in Sobriety and Counteracting Alcoholism • risk of changes in regulations concerning the circular economy	indicators) on selected risk areas to identify and monitor violations of implemented policies and processes • Implementation of a uniform system for developing and publishing marketing content • Continuous monitoring and verification of the possession of valid alcohol licenses, including with the recipients to whom such goods are sold for resale and the rules for promoting or advertising alcohol products • Active monitoring of changing external regulations by an established project group to assess and develop solutions to counteract the negative effects of changes
LABOUR RIGHTS	• risk of violation of labor laws • turnover risk • risk of losing key employees • risk of accidents at work • risk of occupational diseases	• Procedures and instructions regulating the workplace, including work regulations, employee remuneration and employee bonuses regulations • HR policies, benefits system, trainings, engagement survey • Talent identification and management process implemented; Implementation of dedicated solutions allowing for the retention of key employees • Implementation of internal health and safety procedures and instructions • Systematic inspections of compliance with health and safety procedures and instructions

TAXES	• risks related to correct tax settlement • risk of non-effective implementation of procedures regarding tax reporting obligations • risks related to the use of market prices within the group	• Further implementation of procedures and instructions to reduce the risk. Introduction of monitoring tools and employee training.
FOOD QUALITY AND SAFETY	• risk of placing on the market food that does not meet food safety and/or quality standards • risk of adulteration or contamination of the product	• Implemented HACCP food safety program • BRC GS S&D, ISO 22000 certifications and audits in their scope conducted by entities external to the EC Group • OWDP (General Product Delivery Terms) regulating cooperation with suppliers in the field of quality and food transport
ENVIRONMENT	• risk of contamination or poisoning of the environment • risk of uncontrolled energy consumption in buildings and the transport fleet • risk of generating a significant amount of waste, including hazardous waste • risk of improper waste and secondary raw materials segregation **climate risks:** • risk of an increase in energy consumption in the wholesale distribution process	• Energy efficiency audits • Regular inspections and servicing of devices and equipment • Continuous improvement of the efficiency of the logistics chain • Collaboration with food banks • Waste segregation and management of recyclabe materials • The use of low-carbon energy solutions (e.g. PPA agreements) along with the implementation of pro-efficiency investments in operational facilities

	as well as retail and wholesale sales due to the increase in temperatures • risk of increased consumer pressure to provide information on both the origin of individual products and the related impact on the environment, climate or biodiversity • risk of the cost of capital increase and the risk of higher credit costs in the event of an insufficient assessment of Eurocash SA in the ESG category by financial entities • risk of material losses and/or disruption of logistics processes caused by sudden weather phenomena	• Implementation of products with a lower or neutral environmental impact and the search for suppliers using sustainable practices and increasing the share of plant products in the offer • Implementation of a decarbonization strategy and setting reduction targets. Involvement of key Eurocash suppliers in the process of building a decarbonisation policy aimed at reducing emissions in Scope 3 • Improvement of climate risk management; development of e-commerce

4. DISCUSSION OF THE FINANCIAL RESULTS OF THE EUROCASH GROUP AND EUROCASH S.A. FOR 2024.

4.1 Rules for the preparation of annual consolidated financial statements

The Group prepares its consolidated financial statements in accordance with International Financial Reporting Standards, which have been approved by the European Union.

The consolidated financial statements have been prepared on the assumption that the Group companies will continue as going concerns in the foreseeable future. as of the date of preparation of the financial statements, there were no circumstances indicating a threat to the Company's going concern.

The accounting policies used in the preparation of the financial statements are presented in Section 1.2 of the notes to the Consolidated Financial Statements of the Eurocash Group for the year ended December 31, 2024, and were applied to all periods presented in the financial statements.

4.2. Summary of financial results

Table 5: Eurocash Group: Summary of financial results for 2024.

PLN million	2024	2023	Change
Revenue from sales of products, goods and materials	32 241,10	32 452,00	-0,70%
Gross profit on sales	4 309,90	4 409,20	-2,30%
Gross profitability on sales	13,40%	13,60%	-0,22 p.p.
EBITDA (EBIT + depreciation and amortization)	933,5	1 065,50	-12,40%
(EBITDA margin %)	2,90%	3,30%	-0,39 p.p.
Operating profit - EBIT	284,6	436	-34,70%
(Operating profit margin - EBIT %)	0,90%	1,30%	-0,46 p.p.
Gross profit	35,5	195	-81,80%
Net profit/loss	3,8	144,7	-97,30%
(Net profit margin %)	0,00%	0,40%	-0,43 p.p.

The Eurocash Group's sales revenues in 2024 amounted to: PLN 32,241.1 million, 0.7% less than in the previous year. Eurocash Group's gross margin in 2024 decreased by 0.22 p.p. y/y and amounted to 13.4%. EBITDA amounted to PLN 933.5 million in 2024 and decreased by 12.4% y/y. Eurocash Group's net profit reached PLN 3.8 million.

4.3. Key financial and operating data of Eurocash Group

Table 6: Eurocash Group: Merchandise sales dynamics and EBITDA by business segment in 2024.

	Revenues from the sale of goods		YoY change	EBITDA		YoY change
	2024	2023	%	2024	2023	%
Wholesale	23 127,80	23 411,30	-0,012	759,4	841,9	-9,80%
Retail	7 924,60	7 995,10	-0,009	356,4	399,1	-10,70%
Projects	1 066,60	924,6	0,154	-33,8	-33,4	1,40%
Other	-	-	n/a	-148,5	-142,1	4,50%
Eurocash Group	**32 119,00**	**32 331,10**	**-0,007**	**933,5**	**1 065,50**	**-12,40%**

Wholesale

- Sales of goods in the wholesale segment in 2024 amounted to: **PLN 23,127.8 million**, compared to **PLN 23,411.3 million** a year earlier, which translates into a decrease of **1.2%** y/y.
- EBITDA of the Wholesale segment in 2024 amounted to PLN 759.4 million compared to PLN 841.9 million in 2023.
- LFL sales growth for a fixed number of Eurocash Cash&Carry discount wholesalers was -4.9% in 2024.
- The number of Eurocash Cash&Carry discount wholesalers at the end of 2024 was 170.
- The number of ABC stores supplied by the Group as part of the Cash&Carry channel was 7,169 outlets.
- The number of partner and franchise stores organized within the Eurocash Group under brands such as Groszek, Euro Sklep, Lewiatan and Gama, cooperating with Eurocash Dystrybucja was 6,046 stores.

Retail

- Sales of goods in the retail segment in 2024 amounted to **PLN 7,924.6 million**, compared to **PLN 7,995.1 million** in the previous year, recording a decrease of **0.9%** y/y.
- The segment's EBITDA amounted to PLN 356.4 million in 2024 compared to PLN 399.1 million in 2023.
- Retail sales by "Delikatesy Centrum" stores in terms of LFL in 2024 decreased by -1.4%.
- Sales growth for a fixed number of Inmedio stores was 12.4% in 2024 YoY.
- The number of all stores at the end of 2024 was 1,452, including 1,412 stores operated under the Delikatesy Centrum brand.
- The total number of Inmedio stores at the end of 2024 was 411 stores.

Projects

- Sales of goods in the projects segment in 2023 reached **PLN 1,066.6 million**, compared to **PLN 924.6 million** a year earlier, which translated into an increase of **15.4%** y/y. the expansion of the Duży Ben chain and the Frisco online supermarket had a significant impact on its increase.
- EBITDA of the Projects segment amounted to PLN -33.8 million in 2024 compared to PLN -33.4 million in 2023. the results were negatively affected by further expansion costs of the Frisco and Duży Ben chains.

- Duży Ben ended 2024 with 421 locations compared to 305 a year earlier.

Other

- The segment's EBITDA in 2024 amounted to PLN -148.5 million. compared to PLN -142.1 million in 2023.

Table 7: Eurocash Group: Dynamics of external sales of goods by distribution format in 2024.

PLN million	2024	2023	Change %
Wholesale	**23 127,80**	**23 411,30**	**-1,20%**
Cash&Carry	4 601,50	4 852,60	-5,20%
Eurocash Service	10 500,80	10 077,90	4,20%
Eurocash Distribution	7 679,20	8 150,30	-5,80%
Other	346,3	27,8	4,80%
Retail	**7 924,60**	**7 995,10**	**-0,90%**
Delikatesy Centrum Franchise	2 737,60	2 781,30	-1,60%
Own + partner supermarkets	3 716,30	3 807,10	-2,40%
Inmedio	729	690,8	5,50%
Arhelan	741,8	715,9	3,60%
Projects	**1 066,60**	**924,6**	**15,40%**
Eurocash Group	**32 119,00**	**32 331,10**	**-0,70%**

Table 8: Eurocash Group: segment results by quarter in 2024.

Q1 2024 (PLN million)	Wholesale	Retail	Projects	Other	Total
Revenue from sale of goods	5 420,70	1 915,60	255,2	-	7 591,50
EBIT	78,3	-21,2	-30,3	-47,8	-21
(EBIT margin %)	1,40%	-1,10%	-11,90%	0,00%	-0,30%
EBITDA	144	49,5	-12,2	-42	139,1
(EBITDA margin %)	2,70%	2,60%	-4,80%	0,00%	1,80%

Q2 2024 (PLN million)	Wholesale	Retail	Projects	Other	Total
Revenue from sale of goods	5 960,40	1 927,80	257,4	-	8 145,60
EBIT	120	9,2	-22,9	-43,6	62,6
(EBIT margin %)	2,00%	0,50%	-8,90%	0,00%	0,80%
EBITDA	185,9	81,2	-4,7	-36,8	225,7
(EBITDA margin %)	3,10%	4,20%	-1,80%	0,00%	2,80%

Q3 2024 (PLN million)	Wholesale	Retail	Projects	Other	Total
Revenue from sale of goods	6 135,10	2 068,30	256,8	-	8 460,20
EBIT	132,1	15,5	-28	-36,7	83
(EBIT margin %)	2,20%	0,80%	-10,90%	0,00%	1,00%
EBITDA	196,9	87,4	-10,5	-30,3	243,5
(EBITDA margin %)	3,20%	4,20%	-4,10%	0,00%	2,90%

Q4 2024 (PLN million)	Wholesale	Retail	Projects	Other	Total
Revenue from sale of goods	5 611,60	2 012,90	297,1	-	7 921,70
EBIT	164,3	66	-24,1	-46,2	160
(EBIT margin %)	2,90%	3,30%	-8,10%	0,00%	2,00%
EBITDA	232,7	138,3	-6,4	-39,4	325,2
(EBITDA margin %)	4,10%	6,90%	-2,20%	0,00%	4,10%

Table 9: Eurocash Group: segment results in 2024 YTD.

Q1 2024 (PLN million)	Wholesale	Retail	Projects	Other	Total
Revenue from sale of goods	5 420,70	1 915,60	255,2	-	7 591,50
EBIT	78,3	-21,2	-30,3	-47,8	-21
(EBIT margin %)	1.4%	-1.1%	-11.9%	0.0%	-0.3%
EBITDA	144	49,5	-12,2	-42	139,1
(EBITDA margin %)	2.7%	2.6%	-4.8%	0.0%	1.8%

Q2 2024 (PLN million)	Wholesale	Retail	Projects	Other	Total
Revenue from sale of goods	11 381,10	3 843,40	512,6	-	15 737,10
EBIT	198,3	-12	-53,2	-91,4	41,6
(EBIT margin %)	1.7%	-0.3%	-10.4%	0.0%	0.3%
EBITDA	329,9	130,7	-16,9	-78,8	364,8
(EBITDA margin %)	2.9%	3.4%	-3.3%	0.0%	2.3%

Q3 2024 (PLN million)	Wholesale	Retail	Projects	Other	Total
Revenue from sale of goods	17 516,20	5 911,70	769,5	-	24 197,40
EBIT	330,3	3,5	-81,2	-128,1	124,6
(EBIT margin %)	1.9%	0.1%	-10.5%	0.0%	0.5%
EBITDA	526,7	218,1	-27,4	-109,1	608,3
(EBITDA margin %)	3.0%	3.7%	-3.6%	0.0%	2.5%

Q4 2024 (PLN million)	Wholesale	Retail	Projects	Other	Total
Revenue from sale of goods	23 127,80	7 924,60	1 066,60	-	32 119,00
EBIT	494,6	69,5	-105,3	-174,3	284,6
(EBIT margin %)	2.1%	0.9%	-9.9%	0.0%	0.9%
EBITDA	759,4	356,4	-33,8	-148,5	933,5
(EBITDA margin %)	3.3%	4.5%	-3.2%	0.0%	2.9%

Table 10: Eurocash Group: segment results by quarter in 2023.

Q1 2023 (PLN million)	Wholesale	Retail	Projects	Other	Total
Revenue from sale of goods	5 507,70	1 830,20	210,1	-	7 548,00
EBIT	98	-15,8	-28,7	-39,4	14,2
(EBIT margin %)	1.8%	-0.9%	-13.6%	0.0%	0.2%
EBITDA	161,1	52,2	-13,9	-34	165,5
(EBITDA margin %)	2.9%	2.9%	-6.6%	0.0%	2.2%

Q2 2023 (PLN million)	Wholesale	Retail	Projects	Other	Total
Revenue from sale of goods	6 118,50	2 001,40	222,4	-	8 342,30
EBIT	150,2	24,4	-24,3	-38,2	112,1
(EBIT margin %)	2.5%	1.2%	-10.9%	0.0%	1.3%
EBITDA	216,5	95,4	-9,2	-33,8	268,9
(EBITDA margin %)	3.5%	4.8%	-4.1%	0.0%	3.2%

Q3 2023 (PLN million)	Wholesale	Retail	Projects	Other	Total
Revenue from sale of goods	6 191,70	2 131,20	227,1	-	8 550,00
EBIT	163,5	42,6	-18,4	-45,8	141,9
(EBIT margin %)	2.6%	2.0%	-8.1%	0.0%	1.7%
EBITDA	234	114,7	-3,2	-40,5	305,1
(EBITDA margin %)	3.8%	5.4%	-1.4%	0.0%	3.6%

Q4 2023 (PLN million)	Wholesale	Retail	Projects	Other	Total
Revenue from sale of goods	5 593,40	2 032,30	265	-	7 890,80
EBIT	163	67,5	-23,3	-39,4	167,8
(EBIT margin %)	2.9%	3.3%	-8.8%	0.0%	2.1%
EBITDA	230,3	136,7	-7	-33,9	326,1
(EBITDA margin %)	4.1%	6.7%	-2.6%	0.0%	4.1%

Table 11: Eurocash Group: segment results in 2023 YTD.

Q1 2023 (PLN million)	Wholesale	Retail	Projects	Other	Total
Revenue from sale of goods	5 507.7	1 830.2	210.1	0.0	7 548.0
EBIT	98.0	-15.8	-28.7	-39.4	14.lut
(EBIT margin %)	1.78%	-0.86%	-13.64%	0.00%	0.19%
EBITDA	161.1	52.2	-13.9	-34.0	165.5
(EBITDA margin %)	2.93%	2.85%	-6.61%	0.00%	2.19%

Q2 2023 (PLN million)	Wholesale	Retail	Projects	Other	Total
Revenue from sale of goods	11 626.2	3 831.6	432.5	0.0	15 890.3
EBIT	248.3	08.lip	-53.0	-77.6	126.3
(EBIT margin %)	2.1%	0.2%	-12.3%	0.0%	0.8%
EBITDA	377.6	147.6	-23.1	-67.8	434.4
(EBITDA margin %)	3.2%	3.9%	-5.3%	0.0%	2.7%

Q3 2023 (PLN million)	Wholesale	Retail	Projects	Other	Total
Revenue from sale of goods	17 817.9	5 962.8	659.6	0.0	24 440.3
EBIT	411.8	51.3	-71.4	-123.4	268.2
(EBIT margin %)	2.3%	0.9%	-10.8%	0.0%	1.1%
EBITDA	611.7	262.4	-26.4	-108.2	739.5
(EBITDA margin %)	3.4%	4.4%	-4.0%	0.0%	3.0%

Q4 2023 (PLN million)	Wholesale	Retail	Projects	Other	Total
Revenue from sale of goods	23 411.3	7 995.1	924.6	0.0	32 331.1
EBIT	574.7	118.7	-94.7	-162.8	436.0
(EBIT margin %)	2.5%	1.5%	-10.2%	0.0%	1.3%
EBITDA	841.9	399.1	-33.4	-142.1	1 065.5
(EBITDA margin %)	3.6%	5.0%	-3.6%	0.0%	3.3%

4.4. Balance sheet data

Balance sheet structure

The volumes of fixed and current assets, equity, liabilities and provisions for liabilities, as well as their share of total assets, are presented in the tables:

Table 12: Eurocash Group: Structure of assets

PLN milion	31.12.2024	%	31.12.2023	%
Non-current assets (long-term)	**4 989,00**	**54.5%**	**5 147,90**	**56.8%**
Goodwill	2 091,20	41.9%	2 138,30	41.5%
Intangible assets	276,3	5.5%	301,3	5.9%
Property, plant and equipment	580,2	11.6%	662,3	12.9%
Right-of-use assets	1 928,30	38.7%	1 920,90	37.3%
Investment properties	-	0.0%	0,7	0.0%
Investments in affiliates - equity method	-	0.0%	-	0.0%
Investments in associates - equity method	14,8	0.3%	13,7	0.3%
Other long-term financial assets	1	0.0%	1,3	0.0%
Long-term receivables	16,7	0.3%	17,5	0.3%
Deferred income tax assets	66,8	1.3%	81,7	1.6%
Other long-term prepayments and accruals	13,5	0.3%	10,3	0.2%
Current assets (short-term)	**4 170,40**	**45.5%**	**3 908,40**	**43.2%**
Stocks	1 996,70	47.9%	1 998,80	51.1%
Trade receivables	1 199,60	28.8%	1 331,90	34.1%
Current income tax receivables	0,9	0.0%	7,2	0.2%
Other short-term receivables	217,5	5.2%	253	6.5%
Other short-term financial assets	25,5	0.6%	0,1	0.0%
Short-term prepayments and accruals	49,1	1.2%	43,7	1.1%
Cash and cash equivalents	403,4	9.7%	273,8	7.0%
Non-current assets classified as held for sale	277,8	6.7%	-	0.0%
Total assets	**9 159,40**	**100.0%**	**9 056,30**	**100.0%**

Table 13: Eurocash Group: Structure of liabilities

PLN milion	31.12.2024	%	31.12.2023	%
Equity	**862,5**	**9.4%**	**919,5**	**10.2%**
Equity attributable to shareholders of the parent company	737,4	85.5%	799,7	87.0%
Share capital	139,2	16.1%	139,2	15.1%
Own shares	-	0.0%	-	0.0%
Reserve capital	581	67.4%	592,6	64.5%
Reserve capital	-	0.0%	-	0.0%
Loss on valuation of hedging transactions	(3.7)	-0.4%	(8.3)	-0.9%
Share purchase/sale option	(44.0)	-5.1%	(104.5)	-11.4%
Undistributed financial result	65	7.5%	180,7	19.6%
Retained earnings	91,8	10.6%	81,5	8.9%
Net profit of the current year	(26.9)	-3.1%	99,2	10.8%
Non-controlling interests	125,1	14.5%	119,8	13.0%
Long-term liabilities	**2 046,40**	**24.7%**	**2 147,20**	**26.4%**
Long-term loans and advances	400,4	19.6%	361,9	16.9%
Long-term financial liabilities	-	0.0%	125,3	5.8%
Long-term lease liabilities	1 632,60	79.8%	1 628,40	75.8%
Other long-term liabilities	4,2	0.2%	21,8	1.0%
Deferred income tax provision	-	0.0%	-	0.0%
Provisions for employee benefit obligations	8,9	0.4%	9,5	0.4%
Other long-term provisions	0,3	0.0%	0,4	0.0%
Current liabilities	**6 250,50**	**75.3%**	**5 989,60**	**73.6%**
Short-term loans and advances	123	2.0%	90	1.5%
Short-term financial liabilities	131,2	2.1%	16,3	0.3%
Short-term lease liabilities	452,5	7.2%	475	7.9%
Trade payables	4 840,20	77.4%	4 654,70	77.7%
Current income tax liabilities	25,7	0.4%	27,5	0.5%
Other current liabilities	176,4	2.8%	260,7	4.4%
Employee benefit obligations	149,7	2.4%	159,4	2.7%
Provisions and short-term accruals	233,3	3.7%	306,1	5.1%
Liabilities directly related to assets held for sale	118.5	1.9%	-	0.0%
Liabilities and provisions	8 296,90	90.6%	8 136,80	89.8%
Total liabilities	**9 159,40**	**100.0%**	**9 056,30**	**100.0%**

Loan agreements, guarantees and collateral

Credit agreements
Information on loan agreements entered into by Eurocash Group companies is presented in Note 20 to the 2024 consolidated financial statements.

Loans granted
In 2024, Eurocash Group companies did not grant a loan with a significant total value.

Sureties and guarantees
Sureties and guarantees provided by Eurocash Group companies are presented in Note 32 to the 2024 consolidated financial statements.

Issuance of securities and bonds in 2024.

In the period between 1 January 2024 and 31 December 2024, no shares or bonds were issued.

4.5. Significant off-balance sheet items

Information on off-balance sheet items by subject, object and value of the Eurocash Group is included in the notes to the annual consolidated financial statements in Notes 32 and 33.

4.6. Eurocash Group cash flow analysis for 2024.

Cash flow statement

Table 14: Eurocash Group: cash flows in 2023.

PLN million	2024	2023
Cash flows from operating activities	1 014,20	1 138,70
profit before tax	35,5	195
Depreciation	649	629,5
change in working capital	295,3	203,9
Other	34,4	110,3
Cash flows from investment activities	(193.1)	(175.3)
Cash flows from financing activities	(651.0)	(867.5)
Total cash flows	170,1	96

Total cash flows in 2024 amounted to PLN 170.1 million, and cash flows from operating activities reached PLN 1,014.2 million. in 2024, cash flows from investing activities amounted to PLN (193.1) million, and cash flows from financing activities amounted to PLN (651.0) million.

The net financial debt of the Eurocash Group at the end of December 2024 amounted to PLN 2,365 million compared to PLN 2,423 million in 2023. Before IFRS 16, the net financial debt of the Eurocash Group amounted to PLN 260 million compared to PLN 364 million at the end of December 2023. the net debt/EBITDA ratio calculated as at 31.12.2024 in accordance with the principles of bank covenants amounted to 0.63 and met the requirements.

Eurocash Group is increasing its ability to generate cash from operating cash flows. This allows us to implement the Strategy adopted in August 2023 and gradually reduce net debt.

Working capital turnover

Table 15: Eurocash Group: working capital turnover ratios in 2024.

Rotation of working capital components in days	2024	2023
1. inventory turnover cycle	23,4	22,5
2. receivables turnover cycle	13,7	15
3. liability rotation cycle	(63.9)	(60.6)
4. operational cycle (1+2)	37,1	37,5
5. cash conversion (4-3)	(26.8)	(23.1)

The cash conversion cycle in 2024 reached -26.8 days compared to -23.1 days a year earlier.
The method of calculating working capital turnover ratios is presented in section 4.11 of the management report.

Evaluation of cash management

The Eurocash Group generates positive cash flow from operating activities. All significant investments made in 2024 were financed with own funds and borrowings.

The basis for effective liquidity management in the Eurocash Group is an internal cash flow forecasting model. Eurocash S.A. has open credit lines to secure the Eurocash Group's liquidity needs. the Group optimizes the liquidity positions of its subsidiaries and the interest result through the mechanisms used for balance concentration (cash pooling) and the system of intra-group loans.

In the opinion of the Management Board of Eurocash, there are no significant financial risks related to the ability of Eurocash Group companies to repay their obligations. the main financial risk factors related to Eurocash Group's operations are as follows:

- Credit risk
- Liquidity risk
- Market risk

An analysis of the aforementioned risks is presented in Note 34 of the consolidated financial statements for 2023, which is part of the Eurocash Group's annual report.

4.7. Investment activities

In 2024, the share of investments in the wholesale segment was 53%, and in the retail segment 35%. Wholesale allocated outlays to cooperation with franchisees (store equipment, remodeling), logistics and warehouses, as well as it investments, including the Eurocash.pl platform. Retail represents maintenance expenditures on own stores and cooperation with franchisees, including the expansion of the Delikatesy Centrum chain. Within the Projects segment, the main part of investments were directed at the development of the Duży Ben chain, as well as the expansion of the EuroPlatform infrastructure (offered through Innowacyjna Platforma Handlu sp. z o.o.).

Table 16: Eurocash Group: main investment areas of the Eurocash Group in 2024.

PLN million	2024	2023
Equity investments (including acquisition of shares)	-	-
Wholesale	104,6	98,1
Retail	68,5	45,8
Projects	22,5	41
Other	0,2	0,4
Total capital expenditure	195,8	185,3

Assessment of the feasibility of investment intentions

The main investments planned for 2024 are related to:

- The development directions set forth in Strategy 2023-2025 (Wholesale, Franchise, Technology Platform, see Section 3.1), in particular in the areas of
  - franchise network development,
  - investment in modern it systems (sales systems for franchisees, Eurocash.pl platform and EuroPlatform POS network)
  - progressive integration and optimization of logistics (IT solutions, automation, delivery network efficiency),
  - further development of the companies: Frisco and Duży Ben.
- Replacement investments.

To finance planned investments, Eurocash intends to use cash generated, as well as external financing. the level of expenditures assumes slight increases from 2023.

4.8. Significant events and factors affecting Eurocash Group's financial results in 2024.

By Resolution No. 5 of 24 June 2024, the Ordinary General Meeting of EUROCASH S.A. decided to distribute the Company's net profit for the financial year 2023 in the amount of PLN 121,780,356.00 as follows:

- allocate the Company's net profit for the financial year 2023 in the amount of PLN 100,197,565.92 to the payment of dividend, i.e. allocate PLN 0.72 per share.
- allocate the remaining net profit for the financial year 2023 in the amount of PLN 21,582,790.08 to supplementary capital.

The Ordinary General Meeting of EUROCASH S.A. decided to set the dividend date for 23 August 2024, and the determination of the dividend payment date was left to the Supervisory Board of Eurocash S.A., in accordance with Article 348 §5 of the CCC. in accordance with the resolution

of the Supervisory Board, the dividend for 2023 in the amount of PLN 100,197,565.92 was paid on 22.11.2024.

4.9. Explanations regarding seasonality

In the FMCG distribution industry, sales in the first quarter of the year are traditionally lower than in other quarters. the highest sales are made in the summer, then stabilize in the fourth quarter.

4.10. Discussion of the separate financial results of Eurocash S.A. for 2024

4.10.1. Profit and loss account – analysis of Eurocash S.A. profitability

Eurocash S.A. is a company engaged in the wholesale distribution of food and other fast moving products. It is the parent company for the Eurocash Group companies, the structure of which is presented in Section. 2.2.

Table 17: Eurocash S.A.: Summary of financial results for 2024.

PLN milion	2024	2023	Change %
Revenue from sales of products, goods and materials	18 199.5	18 675.7	-2.5%
Gross profit on sales	1 863.6	2 015.9	-7.6%
Gross profitability on sales	10.2%	10.8%	-0.6 p.p.
EBITDA (EBIT + depreciation and amortization)	398.3	476.3	-16.4%
(EBITDA margin %)	2.2%	2.6%	-0.4 p.p.
Operating profit – EBIT	103.2	180.7	-42.9%
(Operating profit margin - EBIT %)	0.6%	1.0%	-0.4 p.p.
Gross profit	91.9	131.0	-29.8%
Net profit	79.2	121.8	-35.0%
(Net profit margin %)	0.4%	0.7%	-0.2 p.p.

Sale of Eurocash S.A. in 2024 r. reached PLN 18,199.5 million, gross margin on sales achieved by Eurocash S.A. in 2024 decreased by 0.6 p.p. y/y to 10.2%. in 2024, EBITDA amounted to PLN 393.3 million. and decreased by 16.4% compared to the previous year.

Net profit in 2024 amounted to PLN 79.2 million. and fell by 35.0% y/y. the current and expected financial situation of Eurocash S.A. does not present any significant threats.

4.10.2. Balance sheet data

Balance sheet structure

The volumes of fixed and current assets, equity, liabilities and provisions for liabilities, as well as their share of total assets, are presented in the tables below:

Table 18: Eurocash S.A.: Asset structure

PLN million	31.12.2024	%	31.12.2023	%
Non-current assets (long-term)	**4 382.5**	**59.8%**	**4 394.9**	**61.5%**
Goodwill	1 204.2	27.5%	1 204.2	27.4%
Intangible assets	412.2	9.4%	431.5	9.8%
Property, plant and equipment	313.3	7.1%	329.5	7.5%
Right-of-use assets	684.3	15.6%	699.2	15.9%
Investment properties	0.0	0.0%	0.7	0.0%
Investments in subsidiaries	1 749.5	39.9%	1 714.5	39.0%
Investments in associated companies	04.cze	0.1%	04.cze	0.1%
Other long-term financial assets	0.3	0.0%	0.1	0.0%
Long-term receivables	0.9	0.0%	1.0	0.0%
Long-term accruals	13.lut	0.3%	09.lip	0.2%
Current assets (short-term)	**2 948.7**	**40.2%**	**2 754.8**	**38.5%**
Stocks	1 316.7	44.7%	1 286.2	46.7%
Trade receivables	1 223.1	41.5%	1 201.1	43.6%
Current income tax receivables	-	0.0%	06.lip	0.2%
Other short-term receivables	103.2	3.5%	134.8	4.9%
Short-term financial assets in subsidiaries	-	0.0%	-	0.0%
Other short-term financial assets	20.maj	0.7%	0.1	
Cash and cash equivalents	256.0	8.7%	96.6	3.5%
Short-term prepayments and accruals	29.2	1.0%	29.mar	1.1%
Total assets	7 331.2	100.0%	7 149.7	100.0%
Razem aktywa	**7331,2**	**100,0%**	**7149,7**	**100,0%**

Table 19: Eurocash S.A.: Structure of liabilities

PLN million	31.12.2024	%	31.12.2023	%
Equity	**1 521.7**	**20.8%**	**1 537.7**	**21.5%**
Share capital	139.2	9.1%	139.2	9.1%
Own shares	-	0.0%	-	0.0%
Supplementary capital	1 220.7	80.2%	1 210.7	78.7%
Reserve capital	-	0.0%	-	0.0%
Merger capital	-	0.0%		
Loss on valuation of hedging transactions	(4.1)	-0.3%	(9.1)	-0.6%
Share purchase/sale option	-	0.0%	-	0.0%
Undistributed financial result	165.9	10.9%	196.9	12.8%
Long-term liabilities	1 004.5	17.3%	1 112.4	19.8%
Long-term loans and advances	396.2	39.4%	355.7	32.0%
Long-term financial liabilities	**(0.0)**	**0.0%**	**125.3**	**11.3%**
Long-term lease liabilities	539.0	53.7%	563.1	50.6%
Other long-term liabilities	0.2	0.0%	15.lip	1.4%
Deferred income tax provision	64.5	6.4%	48.3	4.3%
Provisions for employee benefit obligations	04.cze	0.5%	04.kwi	0.4%
Other long-term provisions	-	0.0%	-	0.0%
Current liabilities	**4 805.0**	**82.7%**	**4 499.6**	**80.2%**
Short-term loans and advances	500.3	10.4%	243.5	5.4%
Other short-term financial liabilities	131.2	2.7%	16.mar	0.4%
Other short-term financial liabilities	198.1	4.1%	189.4	4.2%
Short-term lease liabilities	3 558.8	74.1%	3 591.1	79.8%
Current income tax liabilities	0.4	0.0%	-	0.0%
Other current liabilities	233.7	4.9%	223.3	5.0%
Provisions for employee benefit obligations	70.2	1.5%	76.6	1.7%
Other provisions and short-term accruals	112.1	2.3%	159.4	3.5%
Liabilities and provisions	**5 809.5**	**79.2%**	**5 612.0**	**78.5%**
Total liabilities	**7 331.2**	**100.0%**	**7 149.7**	**100.0%**

At the end of 2024, the balance sheet total amounted to PLN 7,331.2 million, and a year earlier it amounted to PLN 7,149.7 million. as at 31 December 2024, the Company's assets consisted of 59.8% non-current assets (PLN 4,382.5 million) and 38.5% current assets (PLN 2,949.0 million). a year earlier, it was 61.5% and 38.5%, respectively.

As at December 31, 2024, equity amounted to PLN 1,521.7 million, representing 20.8% of the structure of liabilities. a year earlier, equity accounted for 1,537.7, i.e. 21.5% of the structure of liabilities.

Loan agreements, guarantees and securities granted

Credit agreements
Information on loan agreements entered into by Eurocash S.A. is presented in Note 21 to the individual financial statements for 2024.

Loans granted
In 2024, Eurocash has not granted a loan with a significant total value.

Sureties and guarantees
Sureties and guarantees provided by Eurocash S.A. are presented in Note 35 to the separate financial statements for 2024

Issuance of securities and bonds in 2024.

Issuance of securities
No shares were issued between 1 January 2024 and 31 December 2024.

Issuance of bonds and other securities
On December 23, 2020, 125,000 unsecured series B bearer bonds of the Issuer with a nominal value of PLN 1,000 each and a total nominal value of PLN 125,000,000 were issued.

The bond issue was carried out in order to refinance short-term loans and to finance the working capital of Eurocash S.A.

In 2024. the company did not issue new bonds.

4.10.3. Significant off-balance sheet items

Information on off-balance sheet items by subject, object and value of Eurocash S.A. is included in the notes to the annual separate financial statements in Note 33 and Note 34.

4.10.4. Eurocash S.A. cash flow analysis for 2024

Cash flow statement

Table 20: Eurocash S.A.: Cash flow for 2024.

PLN million	16.07.1905	2023
Cash flows from operating activities	237,9	523,00
profit before tax	91,9	131,00
Depreciation	295,1	295,70
change in working capital	(61.3)	89,30
Other	(87.9)	7,10
Cash flows from investment activities	15,7	26,70
Cash flows from financing activities	(94.1)	(498.9)
Total cash flows	159.4	50,80

Total cash flows in 2024 amounted to PLN 159.4 million, while cash flows from operating activities amounted to PLN 237.9 million. Cash flows from investing activities amounted to PLN 15.7 million and cash flows from financing activities amounted to PLN -94.1 million.

Eurocash maintained a stable ability to generate cash from operating cash flows due to the increase in the scale of operations. This allows us to continue the adopted investment strategy and maintain net debt at a stable level.

Working capital turnover

Table 21: Eurocash S.A.: Working capital turnover ratios in 2024.

Rotation of working capital components in days	2024	2023
1. Inventory turnover cycle	26,5	25,1
2. Accounts receivable turnover cycle	24,6	23,5
3. Rotation cycle of liabilities	(79.7)	(78.7)
4. Operational cycle	51.1	48.6
5. Cash conversion	(28.7)	(30.1)

The cash conversion cycle in 2024 reached -28.7 days compared to -30.1 days a year earlier.

4.11. Definitions of financial ratios presented in the management board report

Gross sales profitability:
The ratio of gross sales margin to sales revenue.

EBITDA profitability:
The ratio of EBITDA (operating profit plus depreciation and amortization) to sales revenue.

Operating profitability:
The ratio of operating profit to sales revenue.

Net sales profitability:
The ratio of net profit to sales revenue.

Inventory turnover cycle:
The ratio of inventory at the end of a period to the value of sales revenue during the period multiplied by the number of days in the period.

Receivables turnover cycle:
The ratio of trade receivables at the end of the period to the value of sales revenues in the period multiplied by the number of days in the period.

Payables turnover cycle:
The ratio of the balance of trade payables at the end of the period to the value of cost of sales in the period multiplied by the number of days in the period.

Operating cycle:
The sum of inventory turnover and accounts receivable turnover cycles.

Cash conversion cycle:
The difference between the operating cycle and the accounts payable cycle.

5. ADDITIONAL INFORMATION

5.1. Information on pending proceedings

On October 2, 2020. the Company received the Decision of the President of the Office of Competition and Consumer Protection ("UOKiK") of 28 September 2020 on the ex officio initiation of proceedings against Eurocash S.A. for practices unfairly exploiting a contractual advantage. When initiating the proceedings, the President of UOKiK decided that it should be verified whether certain practices used by Eurocash S.A. could be classified as the use of a contractual advantage. On November 30, 2021. the President of UOKiK issued a decision in which it stated that the Company had committed a practice of unfair use of a contractual advantage by charging suppliers of agricultural and food products for services that are not provided to them or that are provided but about which suppliers are not informed, including their costs and results, and imposed a fine on the Company in the amount of PLN 76,019,901.23. the Company does not agree with the position of the President of UOKiK, and therefore on 30 December 2021 it appealed against the decision of the President of UOKiK to the Court of Competition and Consumer Protection ("SOKiK"). On 19 February 2024, the Court of Competition and Consumer Protection issued a judgment repealing (in its entirety) the challenged decision of the President of UOKiK and thus shared the Company's position on the above-mentioned decision of the President of UOKiK. in June 2024. the President of UOKiK appealed against the judgment in its entirety. in July 2024. the company filed a response to the appeal. in view of the appeal against the judgment of the Court of Competition and Consumer Protection, the outcome of the case will depend on the decision of the Court of Appeal in Warsaw. to the best knowledge of the Company, the proceedings before the Court of Appeal in Warsaw may take at least several dozen months.

Information on pending tax proceedings is provided in the section of the report containing the annual consolidated financial statements in Note 23.

Material contracts

Contracts with suppliers, exceeding 10% of total sales revenue
In 2024, the only supplier with a share of more than 10% of Eurocash Group's total sales revenue was Philip Morris Polska Distribution Sp. z o.o., whose share was nearly 15%.

Review of strategic options

The company, in current reports dated April 2, 2021 (current report no. 07/2021) and February 1, 2022 (current report no. 03/2022), reported that it was conducting a process of reviewing the Eurocash Group's strategic options.

According to Current Report No. 18/2022, the strategic options review process is underway. it is aimed at selecting the best way to achieve the Company's long-term goal of growing the Group and maximizing its value for the Company's current and future shareholders.

According to the Company's announcements, during the review the Company is analyzing scenarios related to, among other things, the potential acquisition of new investors for the Company or for its selected business segments or its subsidiaries; as well as the potential reorganization of the Eurocash Group to further integrate the Group structure. the above list of options is not exhaustive and does not preclude the consideration of other options not listed above during the review, including the disposal of assets.

5.2. Information regarding the conclusion by the issuer or its subsidiary of transactions with related parties

In 2024, Eurocash Group companies did not enter into any loan or credit guarantee transactions or provide guarantees of significant value.

5.3. Information on transactions with related parties

In 2024, Eurocash Group companies did not enter into other transactions with related parties other than at arm's length in the normal course of business.

5.4. Publication of forecasts

Eurocash Group management has not published financial forecasts for 2024 or 2025.

5.5. Changes in basic management principles

Resignation of Management Board members

On August 27, 2024. the Management Board received from Mr. Przemysław Ciaś, Member of the Management Board of the Company, a statement of his resignation from the Management Board of the Company as of September 30, 2024 (at the end of the day). Mr. Przemysław Ciaś indicated personal reasons as the reasons for his resignation.

On October 28, 2024. the Management Board received from Mr. Jacek Owczarek, Member of the Management Board of the Company and Chief Financial Officer, a statement of his resignation from the Management Board of the Company as of November 14, 2024 (at the end of the day). Mr. Jacek Owczarek will continue his commitment to the Eurocash Group, cooperating within the holding managed by Mr. Luis Amaral – the main shareholder of Eurocash S.A.

Appointment of Management Board Members

On August 27, 2024, in connection with the resignation of Mr. Przemysław Ciaś from the Management Board, the Supervisory Board adopted a resolution to appoint Mr. Marcin Celejowski to the Management Board of the Company as a Member of the Management Board, effective as of October 1, 2024.

On October 28, 2024, in connection with the resignation of Mr. Jacek Owczarek from the Management Board, the Supervisory Board adopted a resolution to appoint Mr. Piotr Nowjalis to the Management Board of the Company as a Member of the Management Board, effective as of November 15, 2024.

Apart from the above-mentioned changes in the composition of the Management Board, in 2024 and from the beginning of 2024 until the date of this report, there were no other significant changes in the Company's management structure.

5.6. Agreements with Board Members guaranteeing financial offsets

Group companies have not entered into any agreements with members of the Boards of Directors providing compensation in the event of their resignation or dismissal from their positions without a significant reason.

Agreements with members of the Eurocash Management Board stipulate that in the event of a change in the majority shareholder in the Parent Company, i.e., a change in the shareholder with control over Eurocash (Politra B.V. s.a.r.l), the termination period of the Management Board member's contract will be twelve months.

5.7. Entity authorized to audit financial statements

The consolidated financial statements of Eurocash S.A. for the year 2024 were audited by Grant Thornton Polska Prosta Spółka Akcyjna (KRS: 0001002477) based on an agreement concluded on June 13, 2024, for a period of two years.

The total fees specified in the agreement between Eurocash S.A. and the audit firm due or paid for the audit and review of the consolidated financial statements, as well as for other services, are presented below:

Table 22: Fees for audits and reviews of financial statements

PLN thousand	2024	2023
Audit of financial statements	2978	2003
Review of financial statements	630	260
Total	**3608**	**2263**

With the exception of the services specified in Article 90g(10) of the Act of 29 July 2005 on Public Offering and Conditions Governing the Introduction of Financial Instruments to Organised Trading, consisting in the assessment of the Report on the remuneration of members of the Management Board and Supervisory Board of Eurocash S.A. for 2023 in terms of including in the Report the information required pursuant to sections 1-5 and 8 of the above-mentioned Act, in 2024, Eurocash Group did not use other services of Grant Thornton Polska Prosta Spółka Akcyjna (KRS: 0001002477).

6. CORPORATE GOVERNANCE

6.1. Statement on the application of corporate governance by Eurocash S.A.

Pursuant to § 29(2) of the Rules of the Warsaw Stock Exchange in the wording adopted by Resolution No. 1/1110/2006 of the Exchange Supervisory Board dated January 4, 2006, as amended, Eurocash S.A. is obliged to apply the corporate governance principles contained in the document - "Good Practices of Companies Listed on the WSE 2021", attached to Resolution No. 13/1834/2021 of the Exchange Supervisory Board dated March 29, 2021. (hereinafter "Good Practices"), available at: https://www.gpw.pl/dobre-praktyki.

During the fiscal year ending December 31, 2024, the Company complied with the principles of corporate governance included in the document "Good Practices of Companies Listed on the WSE 2021," according to a statement posted on the website: https://grupaeurocash.pl/assets/media/pl-gpw-dobre-praktyki-eurocash.pdf

During the fiscal year ending December 31, 2024, the Company did not comply with the following corporate governance principles:

- 1.4.2. present the value of the index of equal pay paid to its employees, calculated as the percentage difference between the average monthly salary (including bonuses, prizes and other allowances) of women and men for the last year, and provide information on the measures taken to eliminate any inequality in this regard, along with a presentation of the risks associated with this and the time horizon in which it is planned to bring about equality.

Comment:
The Eurocash Group's Ethics Principles and Labor Regulations include provisions against discrimination based on gender, age, disability, religion or belief, sexual orientation, race, ethnicity, nationality, political beliefs, union membership or type of employment, among others.

- 2.1.The company should have a diversity policy for the management board and the supervisory board, adopted by the supervisory board or the general meeting, respectively. the diversity policy shall specify the objectives and criteria for diversity in such areas as gender, field of education, specialized knowledge, age, and work experience, among others, and shall indicate when and how the achievement of these objectives will be monitored. in terms of gender diversity, the condition for ensuring the diversity of the company's bodies is that minority participation in a given body be no less than 30%.

Comment:
The Group's diversity management applies to all employees, its authorities and key managers. the understanding of diversity manifests itself in the fact that people are important regardless of gender, age, health status, sexual orientation, religion, marital status or country of origin. Diversity activities touch on many aspects of the group's operations and are aimed at respecting others, treating them equally and realizing the potential of employees. the Ethics Principles and the Work Regulations include provisions against discrimination based on gender, age, disability, religion or belief, sexual orientation, race, ethnicity, nationality, political beliefs, union membership or type of employment, among others. Diversity management also applies to members of the Supervisory and Management Boards and key managers. Management and supervisory personnel are made up of people of different genders, ages and experience.

- 2.2.Those deciding on the election of members of the company's management board or supervisory board should ensure the comprehensiveness of these bodies by electing

to their composition persons ensuring diversity, allowing, among other things, the achievement of the target ratio of minimum minority participation set at not less than 30%, in accordance with the objectives set out in the adopted diversity policy referred to in principle 2.1

Comment:
The Group's diversity management applies to all employees, its authorities and key managers. the understanding of diversity manifests itself in the fact that people are important regardless of gender, age, health status, sexual orientation, religion, marital status or country of origin. Diversity activities touch on many aspects of the group's operations and are aimed at respecting others, treating them equally and realizing the potential of employees. the Ethics Principles and the Work Regulations include provisions against discrimination based on gender, age, disability, religion or belief, sexual orientation, race, ethnicity, nationality, political beliefs, union membership or type of employment, among others. Diversity management also applies to members of the Supervisory and Management Boards and key managers. Management and supervisory personnel are made up of people of different genders, ages and experience.

6.2. Shareholder information

Shareholders holding directly or indirectly significant stakes in Eurocash and changes in shareholding structure

As of December 31, 2024, the Company's shareholder structure was as shown in the table below.

Table 23: Company's shareholder structure as of December 31, 2024 and December 31, 2023.

	31.12.2024				31.12.2023			
Shareholder	**Number of shares**	**Share in share capital (%)**	**Number of votes**	**Share in the total number of votes**	**Number of shares**	**Share in share capital (%)**	**Number of votes**	**Share in the total number of votes**
Luis Amaral (directly and indirectly*)	61 287 778	44%	61 287 778	44%	61 287 778	44%	61 287 778	44%
Generali Powszechne Towarzystwo Emerytalne S.A.**	9 880 009	7%	9 880 009	7%	7 905 306	6%	7 905 306	6%
Powszechne Towarzystwo Emerytalne Allianz Polska S.A.**	7 110 507	5%	7 110 507	5%	7 110 507	5%	7 110 507	5%
FMR LLC**	6 980 160	5%	6 980 160	5%	n.d.	n.d.	n.d.	n.d.
Others	53 904 832	39%	53 904 832	39%	62 859 695	45%	62 859 695	45%
Total	139 163 286	100%	139 163 286	100%	139 163 286	100%	139 163 286	100%

*by Politra B.V. S.à.r.l. oraz Western Gate Private Investments Ltd.
** in accordance with the content of the notifications received by the Company on the change of the shareholding or attendance list at the General Meeting of the Company

Luis Amaral holds a total of 44.04% of Eurocash S.A. shares. directly and indirectly through:

- Politra B.V. S.A.R.L. based in Luxembourg, whose sole shareholder holding 100% of shares is Amaral e Filhas Limited based in London, United Kingdom (formerly Portuguese Private Investments Limited), whose sole shareholder is Luis Amaral,

- Western Gate Private Investments Ltd. with its registered office in Great Britain, whose sole shareholder is Amaral e Filhas Limited with its registered office in London, Great Britain (formerly known as Portuguese Private Investments Limited), whose sole shareholder is Luis Amaral.

Luis Amaral, through Politra B.V. s.a.r.l. (as the legal successor of Politra B.V.), a company controlled by him, pursuant to § 13 sec. 2 of the Statute of Eurocash S.A., has the right to appoint 3 out of 5 members of the Supervisory Board of Eurocash S.A., i.e. appoints the majority of its composition. in turn, the Supervisory Board of Eurocash S.A. appoints and dismisses (all) Members of the Management Board of Eurocash S.A. (§ 15 section 1 point (iv) of the Eurocash Statute) - thus Luis Amaral (through the company Politra B.V. s.a r.l. he controls), has influence over the appointment of members of the Management Board of Eurocash S.A., and thus exercises control over Eurocash S.A. the above right to appoint 3 out of 5 members of the Supervisory Board of Eurocash S.A. is vested in Politra as long as it holds at least 30% of shares in the share capital of Eurocash S.A.

Number of Eurocash S.A. shares held by supervising and managing persons

The balance of the Company's shares held by the Company's managers and supervisors, as of December 31, 2024, was as follows:

Table 24: Ownership of shares and subscription rights to the Company's shares by management personnel

	Eurocash shares		Rights to shares	
Management Board	**31.12.2024**	**31.12.2023**	**31.12.2024**	**31.12.2023**
Paweł Surówka	-	-	-	0%
Katarzyna Kopaczewska	330 000,00	330 000,00	-	0%
Piotr Nowjalis	-	n.d.	-	n.d.
Tomasz Polański	49 743,00	49 743,00	-	0%
Dariusz Stolarczyk	17 176,00	17 176,00	-	0%
Szymon Mitoraj	-	-	-	0%
Marcin Celejowski	-	n.d.	-	n.d.

Table 25: Ownership of shares and subscription rights to the Company's shares by supervisors

	Eurocash shares		Rights to shares	
Supervisory Board	**31.12.2024**	**31.12.2023**	**31.12.2024**	**31.12.2023**
Luis Amaral (directly and indirectly).	61 287 778,00	61 287 778,00	-	-
Jorge Mora	121 500,00	121 500,00	-	-
Hans-Joachim Körber	-	-	-	-
Francisco José Valente	-	-	-	-
Hipólito dos Santos				
Przemysław Budkowski	-	-	-	-

Holders of securities with special control rights

The Company has no securities that confer special control rights and no shares of the Company with any preference attached to them. However, the Company's Articles of Association grant a personal right to one of the Company's shareholders in accordance with Section 13(2) of the Company's Articles of Association, in the event that Politra B.V., organized and operating under Dutch law, or any of its legal successors remains a shareholder holding 30% or more of the shares in the Company's share capital, has the right to appoint and remove 3 (three) Members of the Supervisory Board of Eurocash.

Restrictions on the exercise of voting rights

Each Eurocash share entitles the holder to one vote at the General Meeting. the Company's Articles of Association do not provide for restrictions on the exercise of voting rights on Eurocash shares, such as restrictions on the exercise of voting rights by holders of a certain portion or number of votes, time restrictions on the exercise of voting rights, or provisions under which, with the Company's cooperation, capital rights related to securities are separated from the holding of securities.
On the other hand, the prohibition on a shareholder's exercise of voting rights may result from Article 89 of the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organized Trading, and Public Companies of July 29, 2005 (hereinafter the "Act on Offering"), in the event that the shareholder violates certain provisions contained in Chapter 4 of the Act on Offering. in turn, pursuant to Article 6 § 1 of the Companies Act, if a parent company fails to notify a subsidiary capital company of the creation of a dominant relationship within two weeks from the date of the creation of that relationship, the exercise of voting rights from shares in the parent company representing more than 33% of the subsidiary's share capital is suspended.

Restrictions on transfer of ownership of securities

The Company's Articles of Association do not provide for restrictions on the transfer of ownership of the Issuer's securities. Instead, they result from legal regulations, including Chapter 4 of the Act on Offering referred to above, Articles 11 and 19 of the Act on Trading in Financial Instruments of July 29, 2005, the Act on Competition and Consumer Protection of February 16, 2007, Council Regulation (EC) No. 139/2004 of January 20, 2004. on the control of concentrations of undertakings, and Regulation (EU) No. 596/2014 of the European Parliament and of the Council of April 16, 2014 on market abuse (Market Abuse Regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC.

Agreements that could result in future changes in the size of shareholdings

The Management Board of Eurocash is not aware of any agreements that could result in a change in the proportions of shares held by shareholders in the future.

6.3. Diversity in the workplace

In Eurocash Group, anyone can take up a job regardless of age, gender, national and ethnic origin, race, religion, disability, sexual orientation or political views. in the Group, no actions or behavior having the appearance of any discrimination against another employee, contractor or third party is tolerated.

6.4. Authorities and bodies of the Company

6.4.1. Management Board

The management body of Eurocash S.A. is the Management Board consisting of 7 (seven) members at the end of 2024. the composition of the Management Board as of 31.12.2024 is presented below:

Table 26: Composition of the Company's Management Board at year-end 2024

Person	Function
Paweł Surówka	**CEO**
Katarzyna Kopaczewska	Board Member
	HR Director
Piotr Nowjalis	Board Member
	Chief Financial Officer
Dariusz Stolarczyk	Board Member
Tomasz Polański	Board Member
Szymon Mitoraj	Board Member
Marcin Celejowski	Board Member

Powers of the Board

The Management Board conducts the Company's affairs and represents the Company. Two members of the Management Board or one member of the Management Board together with a proxy are required to make declarations of intent and sign documents on behalf of the Company.

The work of the Board is headed by the President of the Board.

The Company's Management Board, as a body, acts collectively, and resolutions of the Management Board are the basis for the conduct of the Company's affairs conducted jointly by a multi-member Management Board. Resolutions of the Board are required in particular on the following matters:

(a) determining the long- and medium-term development strategy and the main objectives of the Company's operations and the growth of its shareholder value, submitting them to the Supervisory Board and evaluating the achievement of these objectives and modifying them, if necessary,

(b) defining the Company's financial goals,

(c) implementation and execution of the Company's long- and medium-term development strategy, as well as its main operational and financial goals,

(d) analysis of significant investment projects and ways to finance them,

(e) establishment of human resources and payroll policies, including:
   a. criteria for filling important management positions in the Company,
   b. determination of hiring, compensation and personnel policies and periodic analysis of the Company's personnel situation,
   c. Issuing opinions on determining and changing the remuneration or terms of employment of Board members,
   d. creation and modification of any stock option program or incentive plan of a similar nature for the benefit of executives and employees

(f) determining the organizational structure of the Company, and the Group, including determining the distribution of competencies among Board Members

(g) adoption of the Company's annual and/or multi-year budget,

(h) internal division of work and responsibilities of Board Members,

(i) proposal for distribution of profit or coverage of loss,

(j) decision to pay dividend advances,

(k) granting of a proxy,

(l) deciding on the implementation of projects with other entities,

(m) deciding on mergers with other entities and the acquisition of other entities or enterprises,

(n) incurring liabilities with a value exceeding PLN 100,000,000 and encumbering the Company's assets with a value exceeding PLN 150,000,000, if not provided for in the annual budget,

(o) sale, lease or transfer of the Company's assets with a value exceeding the amount of EUR 15,000,000 or its equivalent in zlotys, if not provided for in the annual budget,

(p) creation, issuance/issuance, acquisition or disposal of shares in another subsidiary,

(q) conclusion by the Company of a material agreement with a related party within the meaning of the regulations on the provision of current and periodic information by issuers whose shares are listed on the Warsaw Stock Exchange, except for typical transactions concluded on an arm's length basis as part of the Company's operating activities with a subsidiary in which the Company holds a majority equity stake,

(r) establishing Regulations and other internal normative acts of the Company, unless otherwise provided by law or the Articles of Association,

(s) matters of extraordinary importance, as well as matters and transactions that, in the reasonable opinion of the Board Member, may pose a significant risk to the Company,

(t) requesting the Supervisory Board's opinion on draft resolutions to be presented to Shareholders at the General Meeting,

(u) any other activities exceeding the scope of ordinary management of the Company.

Otherwise, individual members of the Management Board are responsible for the independent management of the Company's affairs arising from the internal division of duties and functions as determined by the Management Board' decision.

The Management Board may adopt resolutions at a meeting or outside of a meeting in writing or using means of direct communication at a distance. Resolutions of the Board are adopted by a simple majority of the votes cast by the members of the Management Board and are minuted. Proper notice of the meeting to all Board members is required for the validity of Board resolutions adopted at a Board meeting.

The detailed procedures of the Management Board are set forth at in the Regulations of the Management Board adopted by the Management Board and approved by the Management Board. the content of the current Regulations of the Management Board is available at https://grupaeurocash.pl/.

Salaries, rewards and terms of employment contracts

Information on the remuneration paid for 2024 to Members of the Company's Management Board was provided in the part of the report containing the annual separate financial statements in note No. 31 and in the part of the report containing the annual consolidated financial statements in Note No. 30, as well as in the report on the remuneration of Members of the Management Board and the Supervisory Board. Eurocash S.A. for 2024.

6.4.2. Supervisory Board

The Supervisory Board consists of 5 members, with the right to appoint and dismiss three members of the Supervisory Board vested in Politra B.V. (or its legal successors), while 2 members of the Supervisory Board are appointed and dismissed by the General Meeting. the dismissal of a member of the Supervisory Board is effective only if a new member of the Supervisory Board is appointed simultaneously with the dismissal.

The composition of the Supervisory Board in the period from 01.01.2024 to 31.12.2024 was as shown in the table below.

Table 27: Composition of the Company's Supervisory Board in 2024 and the functions performed by its members

Person	Function	Period of office
Luis Manuel Conceicao Pais do Amaral	Chairman of the Supervisory Board	01.01.2024 – 31.12.2024
Hans Joachim Körber	Member of the Supervisory Board	01.01.2024 – 31.12.2024
Francisco José Valente Hipólito dos Santos	Member of the Supervisory Board	01.01.2024 – 31.12.2024
Jorge Mora	Member of the Supervisory Board	01.01.2024 – 31.12.2024
Przemysław Budkowski	Member of the Supervisory Board	01.01.2024 – 31.12.2024

The status of independent members of the Supervisory Board was held by:

(i) Mr. Hans Joachim Körber and Mr. Przemysław Budkowski as members of the Supervisory Board appointed by the General Meeting of the Company,

(ii) Mr. Jorge Mora appointed by shareholder Politra B.V.s.a.r.l, who submitted a declaration that they meet the criteria for an independent member of the Supervisory Board.

Therefore, 3 out of 5 members of the Company's Supervisory Board were independent members. The Board elects the Chairman of the Board from among its members. the Supervisory Board may also dismiss the Chairman of the Board from his position. the Supervisory Board exercises constant supervision over the Company's activities in all areas of its operation.

Powers of the Supervisory Board

Pursuant to § 14(2) of the Issuer's Articles of Association, the powers of the Supervisory Board include, in particular:

(i) evaluation of the Management Board's report on the Company's activities and the Company's financial statements, in terms of their compliance with the books and documents, as well as with the facts,

(ii) evaluation of the Management Board's proposals for distribution of profit or coverage of loss,

(iii) submitting an annual written report to the General Assembly on the results of the evaluations referred to above,

(iv) appointment and dismissal, as well as suspension for important reasons, of members of the Board,

(v) issuing opinions on planned amendments to the Statute,

(vi) approval - no later than by November 30 of each calendar year - of the annual budgets and amendments to them prepared by the Board,

(vii) issuing opinions on granting loans or financial assistance or entering into agreements outside the scope of the Company's ordinary activities with members of the Management Board,

(viii) selection of an auditor for the audit of the Company's financial statements,

(ix) adoption of the consolidated text of the Company's Articles of Association,

(x) other matters that under applicable laws or other provisions of the Company's Articles of Association require a resolution of the Supervisory Board.

In addition, the approval of the Supervisory Board expressed in the form of a resolution requires that the Board perform the following actions:

(i) deciding on the implementation of projects with other entities;
(ii) deciding on mergers with other entities and the acquisition of other entities or enterprises;
(iii) incurring liabilities with a value exceeding the amount of PLN 100,000,000 and encumbering the Company's assets with a value exceeding the amount of PLN 150,000,000, if not provided for in the annual budget;
(iv) sale, lease or transfer of the Company's assets with a value exceeding the amount of EUR 1,000,000 or its equivalent in PLN, if not provided for in the annual budget;
(v) Issuing opinions on determining and changing the remuneration or terms of employment of Board members;
(vi) creation, issuance/issuance, acquisition or disposal of shares in another subsidiary;
(vii) creation and modification of any stock option program or incentive plan of a similar nature for the benefit of executives and employees;

(viii) conclusion by the Company of a material agreement with a related party within the meaning of the regulations on the provision of current and periodic information by issuers whose shares are listed on the Warsaw Stock Exchange, except for typical transactions concluded on an arm's length basis as part of the Company's operating activities with a subsidiary in which the Company holds a majority equity stake.

The Supervisory Board performs its duties collectively. the Supervisory Board may, by means of a resolution adopted by a simple majority of votes, delegate individual Members to individually perform specific supervisory activities.

Members of the Supervisory Board perform their duties in person, but may participate in the adoption of resolutions of the Supervisory Board by casting their vote in writing through another member of the Supervisory Board. the Supervisory Board may adopt resolutions at a meeting or in writing or by means of direct remote communication.

Resolutions of the Supervisory Board are adopted by a simple majority of votes in the presence of at least 3 members of the Board. in case of an equal number of votes cast "for" and "against" a resolution, the vote of the Chairman of the Supervisory Board shall be decisive.

In addition, the approval of a majority of independent members of the Supervisory Board is required for the Supervisory Board to adopt resolutions on:

(i) benefits of any kind by the Company and any affiliates of the Company to members of the Management Board;
(ii) selection of an auditor for the audit of the Company's financial statements;
(iii) issuing an opinion on the granting of loans or financial assistance or entering into agreements outside the scope of the Company's ordinary activities with members of the Management Board;
(iv) approval of the exclusion of the Company's shareholders' pre-emptive right to purchase shares (subscription right) with respect to shares issued by the Management Board within the limits of authorized capital.

The detailed procedure of the Supervisory Board is set forth in the Regulations of the Supervisory Board. the content of the current Supervisory Board Regulations is available at: https://grupaeurocash.pl/.

Salaries, rewards and terms of employment contracts

Information on the remuneration paid for 2024 to Members of the Supervisory Board of the Company was provided in the part of the report containing the annual separate financial statements in note No. 31 and in the part of the report containing the annual consolidated financial statements in Note No. 30, as well as in the report on the remuneration of Members of the Management Board and the Supervisory Board of Eurocash S.A. for 2024.

Established committees

The Supervisory Board has the following internal committees:

(i) Audit Committee,
(ii) Remuneration Committee,
(iii) Nominating Committee.

Members of each of the aforementioned committees are elected by the Supervisory Board, with the Compensation Committee and the Nominating Committee to include at least one independent member of the Supervisory Board. the Audit Committee should include at least two independent members of the Supervisory Board and one member who is a financial specialist, i.e. a person with relevant experience in financial management and accounting in public companies or other companies of comparable size.

Audit Committee

The Audit Committee's responsibilities include:

a. monitoring of:
   i. the financial reporting process
   ii. the effectiveness of internal control and risk management systems and internal audit, including with regard to financial reporting
   iii. the performance of financial auditing activities, in particular, the audit firm's performance of the audit, taking into account any conclusions and findings of the Audit Oversight Committee arising from the audit conducted at the audit firm
b. overseeing the Company's reporting of financial information in periodic reports, forecasts, etc.,
c. supervising the work of the Company's external auditors,
d. making a recommendation to the Supervisory Board on the selection of an audit firm, in accordance with the adopted policy and selection procedure, whereby the audit firm may not provide services for more than 5 years controlling and monitoring the independence of the auditor and the audit firm, in particular when services other than auditing are provided to the public interest entity by the audit firm
e. overseeing the relationship with the Company's external auditor, in particular:
   i. assessment of the auditor's independence, his remuneration and non-audit work performed for the Company;
   ii. approval for the auditor to provide permitted services that are not an audit of the annual financial statements
   iii. deciding on the involvement of the external auditor in matters concerning the content and promulgation of financial reports,
f. informing the Supervisory Board of the results of the audit of the Company's annual financial statements and explaining how the audit contributed to the integrity of the Company's financial reporting, as well as what role the Audit Committee played in the audit process
g. annual evaluation of the functioning of the internal control system and the system for managing risks relevant to the Company's affairs, and evaluation of its own functioning in the form of an annual report on the issues that have been discussed and studied and on the relationship with the Company's external auditor (in particular, its independence), which report forms part of the annual report of the Supervisory Board presented at the Annual General Meeting
h. determining the procedure for the selection of an audit firm by a public interest entity;
i. developing a policy for selecting an audit firm to audit the Company's annual separate and consolidated financial statements;
j. developing a policy for the provision of permitted non-audit services by the audit firm, by affiliates of the audit firm and by a member of the audit firm's network
k. submitting recommendations to ensure the integrity of the Company's financial reporting process.

The Audit Committee was composed of Mr. Jorge Mora (Chairman of the Audit Committee), Mr. Francisco José Valente Hipólito dos Santos (Member of the Audit Committee) and Mr. Hans Joachim Körber (Member of the Audit Committee) in the period from 01.01.2024 to 31.12.2024.

Remuneration Committee

The Remuneration Committee's responsibilities include:

(i) assuring the Supervisory Board of the existence of a remuneration policy for the Management Board, about which the Remuneration Committee has sufficiently detailed information, including that it is aware of (a) the remuneration structure; (b) the amount of fixed remuneration, (c) shares and/or stock options, and/or other variable remuneration components and any other forms of remuneration, as well as the criteria that should be met by members of the Management Board with a description of their application,
(ii) annually proposing to the Supervisory Board the adoption of an opinion on the compliance of the Management Board's remuneration policy and its implementation with the desired corporate governance standards,
(iii) ensuring disclosure to the Supervisory Board of the amount of the Management Board's remuneration resulting from the implementation of the Management Board's remuneration policy,
(iv) annual evaluation of its own performance in the form of an annual activity report, which forms part of the annual report of the Supervisory Board presented at the Annual General Meeting.

The Remuneration Committee was composed of the following persons in the period 01.01.2024 – 31.12.2024: Mr. Przemysław Budkowski (Chairman of the Remuneration Committee), Mr. Francisco José Valente Hipólito dos Santos (Member of the Remuneration Committee) and Mr. Jorge Mora (Member of the Remuneration Committee).

Nomination Committee

The powers of the Nominating Committee include:

a. determining and recommending, for approval by the Supervisory Board, candidates for members of the Supervisory Board to be appointed by the General Meeting in connection with filling emerging or anticipated vacancies on the Supervisory Board (including in connection with the expiration of the term of office of the Supervisory Board),
b. issuing opinions on candidates for members of the Supervisory Board appointed by the General Meeting, submitted by the Company's shareholder(s),
c. determining and recommending candidates for members of the Management Board and the President of the Management Board, the selection of which is made by the Supervisory Board, in connection with the filling of emerging or expected vacancies on the Management Board (including in connection with the expiration of the term of office of a Member or President of the Management Board);
d. annual evaluation of its own performance in the form of an annual activity report, which forms part of the annual report of the Supervisory Board presented at the Annual General Meeting.

In the period 01.01.2024 – 31.12.2024, the Nomination Committee consisted of: Mr. Hans Joachim Körber (Chairman of the Nomination Committee), Mr. Jorge Mora (Member of the Nomination Committee) and Mr. Luis Amaral (Member of the Nomination Committee).

The rules of these committees are regulated in detail in Division VII of the Council Regulations Supervisory Board (Supervisory Board Committees) available at: https://grupaeurocash.pl/.

6.4.3. General Assembly

The manner of operation of the General Meeting of Shareholders and its essential powers are derived directly from legal regulations, which have been partially incorporated into the Company's Articles of Association and Regulations of the General Meeting of Shareholders. Both the Articles of Association and the Regulations of the General Meeting are available on the Company's website.

As of August 3, 2009, in accordance with Paragraph 15(3) of the Articles of Association and pursuant to Paragraph 1(3) of the Company's General Meeting Regulations, the General Meeting is convened through an announcement containing all the elements referred to in Article 4022 of the CCC made no later than 26 days prior to the date of the General Meeting on the Company's website and in the manner prescribed for the transmission of current information in accordance with the Act on Offering.

At each Meeting, members of the Supervisory Board and the Management Board should be present to provide substantive answers to questions asked at the General Meeting. the auditor should be present at the ordinary (annual) General Meeting and at the Extraordinary General Meeting, if the Company's financial affairs are discussed there. the members of the Supervisory Board, the Management Board and the auditor should, within the limits of their competence and to the extent necessary for the resolution of the matters discussed by the Meeting, provide the participants of the Meeting with explanations and information concerning the Company.

Members of the Management Board and Supervisory Board, the auditor, if the subject of the meeting is the Company's financial affairs, experts invited by the body convening the General Meeting, the notary who prepares the minutes of the General Meeting, representatives of the media are entitled to participate in the General Meeting. Other persons may participate in the General Meeting with the consent of the Chairman of the General Meeting.

According to the Company's Articles of Association, the powers of the General Meeting include, in particular:

(i) reviewing and approving the Management Board's report on the Company's activities and financial statements for the past fiscal year and discharging the members of the Company's bodies for the performance of their duties;
(ii) deciding on claims for compensation for damage caused in the formation of the Company or in connection with the Board's activities;
(iii) disposal and lease of an enterprise or an organized part thereof and the establishment of a limited right in rem thereon;
(iv) creating capitals in the Company and deciding on their allocation;
(v) approval of the Company's long-term strategic plans;
(vi) adoption of resolutions on the distribution of profit and coverage of losses;
(vii) amendment of the Company's Articles of Association;
(viii) increasing and decreasing the Company's share capital;
(ix) dissolution or liquidation of the Company;
(x) authorization for the Company to enter into an investment underwriting or service underwriting agreement;
(xi) making decisions on other matters which, in accordance with the provisions of the Commercial Companies Code and other laws and with the provisions of these Articles of Association, are within the exclusive competence of the General Meeting.

6.5. Rules for amending the Articles of Association of the Company

A resolution of the General Meeting of Shareholders to amend the provisions of the Company's Articles of Association requires the prior opinion of the Company's Supervisory Board.
An amendment to the provisions of the Company's Articles of Association involving a significant change in the Company's objects without repurchasing the shares of those shareholders who do not agree to the change shall require a resolution of the General Meeting adopted by a majority of ¾ of the votes cast in the presence of shareholders representing at least 50% of the Company's share capital.

An amendment to the Company's Articles of Association to reduce the Company's share capital requires a resolution of the General Meeting adopted by a ¾ majority.
Amendments to the provisions of the Company's Articles of Association in other respects shall require a resolution of the General Meeting adopted, unless the provisions of the CCC or the Act on Offering provide otherwise, by an absolute majority of votes.

6.6. Rules regarding the appointment and dismissal of managers and their powers, in particular the right to decide on the issuance or repurchase of shares

Pursuant to Paragraph 9 (1) and (2) of the Company's Articles of Association, the Management Board consists of from two to ten persons appointed by the Supervisory Board for independent terms of three years. the number of members of the Management Board is determined by the Supervisory Board. the Supervisory Board also appoints by resolution one of the members of the Management Board as President of the Management Board. a member of the Management Board may be dismissed from his or her position by a resolution adopted by the Supervisory Board or the Company's General Meeting of Shareholders.

The scope of activities of the Management Board includes all matters of the Company not reserved for the competence of the General Meeting and the Supervisory Board. the competencies of the General Meeting and the Supervisory Board are described in Section 6.4 of the Report.
The Management Board may decide to buy back shares in cases and under conditions specified by generally applicable laws. the Management Board manages the Company's affairs and represents the Company externally. the detailed rules of the Management Board are described in Section 6.4 of the Report.

6.7. Employee share control system

The company does not hold employee shares.

6.8. Incentive and Bonus Program for 2023 Employees

On June 30, 2022, the Company's Ordinary General Meeting of Shareholders, by Resolution No. 25, established the 2022 Employee Incentive and Bonus Program (hereinafter "the Program") for certain key employees of the Company and companies directly or indirectly affiliated with the Company by capital (hereinafter "Eurocash Group"). the Program is a continuation of the incentive programs addressed to managers, executives and employees of primary importance to the business conducted by the Eurocash Group enabling outstanding individuals to acquire shares in the Company as a bonus.

In connection with the Program, the Company will issue 278,326 (two hundred and seventy-eight thousand three hundred and twenty-six) registered Series P Bonds, each with a par value of 1 (one)

penny, each of which will entitle the holder to subscribe for and acquire 25 (twenty-five) Series N Shares with priority over the Company's shareholders. the Series P Bonds will be redeemed by the Company on July 3, 2028 by paying a cash amount equal to the par value of the Series P Bonds. Persons eligible under the Program to purchase all or part of the Series P Bonds shall be only the management, officers and persons of primary importance to the business of the Eurocash Group, employed and performing their duties for a period of 3 years starting from January 1, 2022.

The program will be implemented only if (i) the consolidated operating profit (EBIT) of the Company's Group in 2025 is at least PLN 600,000,000 or (ii) the average price of the Company's shares on the Warsaw Stock Exchange. (calculated as the average of the closing prices on each trading day) during the six-month period between July 1, 2024 and December 31, 2025 will be at least PLN 30.

The list of persons initially eligible under the Program was adopted in the aforementioned Resolution No. 25 of the Company's Annual General Meeting of June 30, 2022, and subsequently, in accordance with the regulation of the aforementioned General Meeting's resolution, in a resolution of the Company's Supervisory Board.

6.9. Main features of internal control and risk management systems in relation to the process of preparing financial statements

The Management Board of Eurocash is responsible for the internal control system in the Company and its effectiveness in the process of preparing individual financial statements and periodic reports prepared and published in accordance with the Regulation of March 29, 2018 on current and periodic information provided by issuers of securities and the conditions for recognizing it as equivalent to the information required by the law of a non-Member State.

Responsibility for setting and fulfilling the risk management policy lies with the Eurocash's Management Board. in order to fulfill these tasks, the Management Board has established a risk management team whose responsibilities include building and monitoring the risk management policy. the team regularly reports on its work to the Management Board.

A risk management team has been established to identify and analyze the risks associated with the Company's operations and to set appropriate risk limits and controls, as well as to monitor deviations from these limits. the policy and the risk management system are regularly reviewed to continuously respond to current changes in market conditions and the Company's operations. by improving qualifications, adopting standards and procedures, the Company strives for a disciplined and constructive control environment in which all employees understand their roles and responsibilities.

The preparation of the Company's stand-alone financial statements and periodic reports is the responsibility of the Eurocash's financial department headed by the Chief Financial Officer. the financial data underlying the consolidated financial statements are derived from the financial and management reporting used by the Group companies. Middle and senior management of the Group's companies jointly analyze the companies' financial performance against budget assumptions after the accounting close of each calendar month.

In the process of preparing separate financial statements, one of the basic elements of control is their review by an independent auditor. the auditor's task is, in particular, to review the semiannual separate financial statements, as well as the preliminary and fundamental audit of the annual separate financial statements. the independent auditor is selected by the Company's Supervisory Board. the financial statements after the auditor completes the audit are sent to the members of the Supervisory Board, which evaluates the Company's financial statements.

An important element of risk management in the process of preparing separate financial statements is the internal control exercised by the Eurocash's internal audit department, which, among

the tasks assigned to it, also controls the implementation of risk management policies and procedures. in this regard, the Risk Management and Sustainable Department performs both planned audits and ad hoc checking procedures.

The annual program of scheduled internal audits is created on the basis of a risk assessment of business processes, which is conducted by the Director of the Risk Management and Sustainability Department with the Eurocash's Management Board. in addition to scheduled audits, non-scheduled audits are carried out at the request of the Eurocash's Management Board, as well as verification audits against recommendations from previous audits. the internal audit work results in recommendations for improving the Company's control mechanisms.

An annual review of both strategy and business plans is carried out at Eurocash. the budgeting process is supported by the middle and senior management of the Eurocash member companies. the budget and business plan prepared for the following year is adopted by the Eurocash's Management Board and approved by its Supervisory Board. During the year, the Eurocash's Management Board analyzes the financial results with the adopted budget based on the Company's accounting policy.

The Eurocash's Management Board systematically evaluates the quality of internal control and risk management systems in relation to the financial reporting process. Based on the assessment, the Eurocash's Management Board concludes that as of December 31, 2023, there were no circumstances that could materially affect the effectiveness of internal control over financial reporting.

6.10. Information on the Audit Committee

1. In the period 01.01.2024 – 31.12.2024, the Audit Committee consisted of: Mr. Jorge Mora (Chairman of the Audit Committee), Mr. Francisco José Valente Hipólito dos Santos (Member of the Audit Committee) and Mr. Hans Joachim Körber (Member of the Audit Committee).

2. The following members of the Audit Committee met the statutory independence criteria:
   a. Mr. Jorge Mora (Chairman of the Audit Committee),
   b. Mr. Hans Joachim Körber (Member of the Audit Committee).

3. The following Audit Committee Members had/have knowledge and skills in accounting or auditing:
   a. Mr. Francisco José Valente Hipólito dos Santos has a university degree with a specialization in Business Management. He graduated from the Portuguese Catholic University of Lisbon (Universidade Católica Portuguesa) in 1984. From 1999 to 2003, he served as a member of the Management Board at Barclays Bank Portugal. From 2003 to 2006, he headed the Marketing Department at Banco Espirito Santo, S.A., and from 2007 to 2011, he was Director in the bank's Savings Department. in the period 2011. - 2012, he served as Managing Director at Banco BEST S.A. From the beginning of 2013, he took on the position of Non-Managing Director at this bank, as well as the position of Board Advisor for International Affairs at Banco Espirito Santo S.A. until August 2014, when he took on the position of Compliance Officer at Novo Bonco, which he held until June 2017. Subsequently, he held management positions in a number of companies in various sectors, including real estate, tourism and FMCG. Mr. Francisco José Valente Hipólito dos Santos has served as a member of the Eurocash Supervisory Board since 2013.
   b. Mr. Jorge Mora graduated from the University of Miami with a degree in 1989 and from the Wharton School with an MBA in 1993. He has more than 25 years of experience working in international corporate consulting and private equity

investments. His most recent position was Vice Chairman and Senior Managing Director at Macquarie Capital in the US. Previously, he was Head of Financial Sponsoring at Lazard and before that Managing Director at UBS. He is currently active on several non-profit boards and in Venture Capital investments.

c. Mr. Hans Joachim Körber holds a degree in brewing and a PhD from the Technical University of Berlin. He gained business experience in management positions including: the RA Oetker Group and the German and international structures of the Metro SB-Großmärkte group of companies. With the establishment of Metro AG in 1996, he joined the company's Management Board, which he led from 1999 to 2007, serving as chairman of the board. He is currently a member of the supervisory boards of a number of international companies.

4. A member of the Audit Committee with knowledge and skills in the industry in which the Company operates:

a. Mr. Hans Joachim Körber has many years of experience in management and company board positions in the wholesale and retail business of major German and international corporations.

5. Main principles of the audit firm selection policy

The auditor is selected based on the following criteria:

- understanding of the business, trends affecting the Company - FMCG industry (wholesale and retail), current issues affecting the Company in terms of competitiveness, reporting and legal and tax solutions
- experience in audit and non-audit services for FMCG companies;
- experience in auditing companies listed on the Warsaw Stock Exchange (WIG20 preferred), knowledge of corporate governance and reporting standards of listed companies;
- people - members of the auditor's teams should be experts in their field, have access to technical knowledge, be familiar with the latest accounting standards;
- organization - the bidder must be able to meet the needs of the Company - have adequate reach and resources to carry out the study (offices in Poland, preparation for cooperation with the international Management Board and Supervisory Board);
- independence - the bidder should provide a detailed description of orders completed for the Company and FMCG companies;
- opportunity for the Company to access the auditor's specialized industry teams and benefit from the knowledge of experts in the industry;
- salary

The auditor, i.e. Grant Thornton Polska Prosta Spółka Akcyjna (KRS: 0001002477), based in Poznań, conducted the audit of the Company's financial statements for 2024 following the selection made by the Supervisory Board of Eurocash S.A. pursuant to § 14 item 2 of the Company's Articles of Association, on March 21, 2024. the auditor meets the required conditions and selection criteria. in the opinion of the Audit Committee, the Company's auditor, due to the absence of other business relationships with the Company, is able to perform its duties independently.

6. In 2024, the Audit Committee held 5 meetings: on 22.02.2024, 21.03.2024, 18.04.2024, 26.08.2024 and 20.11.2024.

7. MANAGEMENT BOARD'S STATEMENTS

7.1. Selection of the entity authorized to audit the financial statements

On 21 March 2024, the Supervisory Board of Eurocash S.A., acting pursuant to § 14 point 2 of the Company's Articles of Association, as a result of the tender procedure, selected Grant Thornton Polska Prosta Spółka Akcyjna (KRS: 0001002477)) ("Grant Thornton"), entered into the list of entities authorized to audit financial statements under No. 4055, as an external auditor for the audit of the Company's financial statements for 2024 and 2025.

The members of the Management Board of Eurocash S.A. declare that Grant Thornton - the entity authorized to audit financial statements, auditing the annual separate financial statements of Eurocash S.A. and auditing the annual consolidated financial statements of the Eurocash S.A. Capital Group., was selected in accordance with the provisions of law, and that the entity and the auditors auditing the statements met the conditions for expressing an unbiased and independent opinion on the audited annual separate financial statements, in accordance with applicable regulations and professional standards.



Sustainability Report
Eurocash Group
for 2024

2024

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General information

1. GENERAL INFORMATION

1.1. Basis for preparing a sustainability report

[BP-1] Reporting standard and data consolidation

The report has been prepared in accordance with Article 63x of the Accounting Act of September 29, 1994 and in accordance with Regulation (EU) 2020/852 of the European Parliament and of the Council of June 18, 2020 on establishing a framework to facilitate sustainable investment amending Regulation (EU) 2019/2088 for the Eurocash Group. This report is based on the ESRS [European Sustainability Reporting Standards] standards introduced by Commission Delegated Regulation (EU) 2023/2772 of July 31, 2023.

The report covers sustainability information on the Eurocash Group for the period from January 1, 2024 to December 31, 2024. The scope of consolidation is consistent with that of the consolidated financial statements and refers to the Group structure, unless otherwise indicated.

The report applies to the upstream and downstream value chain when describing the Eurocash Group's value chain, Scope 3 greenhouse gas emissions, and issues related to: ESRS E4 - Biodiversity, ESRS E5 - Circular economy, ESRS S2 - Employees in the value chain and ESRS S4 - Consumers and end-users. The report covers topics of relevance to the Group with respect to both its employees and the customers of its business partners (suppliers and franchisees). To a lesser extent, the supply chain was covered. Both policies relating to the supply chain (supplier code) and the Group's employees are discussed. Data relating to the Group's own operations (e.g., employee data and those relating to corporate and environmental governance) and some customer data (e.g., customer survey data, violation reports, complaints) are included in the reported indicators.

Part of the Scope 3 greenhouse gas emissions data uses an estimation method, which is described in more detail in Point 2.1 Climate Change. None of the quantitative measures or monetary amounts have a significant level of uncertainty.

The Group has not taken advantage of the exemption provided for entities based in an EU member state from the obligation to disclose information regarding expected events or matters under negotiation pursuant to Article 19a (3) and Article 29a (3) of Directive 2013/34/EU.

The option to omit specific information regarding intellectual property, know-how or innovation results was not exercised.

[BP-2] Data comparability

The Group has not deviated from the medium- and long-term time horizons set forth in the ESRS.

Time frames adopted in this statement:

- short-term perspective - the reporting period (1 year);
- medium-term perspective - up to 5 years;
- long-term perspective - more than 5 years.

This year's report uses the EU ESRS - European Sustainability Reporting Standard - for the first time, so the Group reports no changes in the preparation or presentation of the sustainability statement or errors from previous years.

For the purposes of the report, selected environmental metrics were estimated for the data in Chapter 2.1 Climate Change (ESRS E1-5 and E1-6) for proprietary operations and the value chain.

Attestation

This Eurocash Group sustainability report has been externally verified. The verification was performed by the auditing firm Grant Thornton Polska PSA in accordance with the National Standard for Assurance Services 3002PL (Assurance services other than audits or reviews of historical financial information), adopted by Resolution of the National Council of Statutory Auditors No. 3436/52e/2019 dated April 8, 2019, as amended.

1.2. Business model

[SBM-1]

Eurocash Group is the largest Polish wholesale distributor of FMCG products, as well as the organizer of well-known franchise, association and partnership chains, such as ABC, Delikatesy Centrum, Groszek, Gama, Duży Ben, Lewiatan and Euro Sklep. In addition, the Group is a logistics and technology partner for local stores, as well as the owner of Frisco, the No. 1 e-grocery store in Poland. Eurocash's customers are mainly local entrepreneurs, to whom the Group offers effective business models on the one hand, and purchasing scale, logistics, marketing aids, access to knowledge and modern technological solutions to support store operation and development on the other.

The Group's mission since its establishment - that is, for almost 30 years – has been to promote Polish entrepreneurship and the development of independent trade in Poland. In addition, the company strives to set trends, both in business and environmental responsibility for the sector



The Eurocash Group consists of 40 companies. The parent company is Eurocash S.A., which is responsible for most of the Group's sales. The company's headquarters are located in Komorniki in the Wielkopolska region. The full list of companies and their location in the Group's structure, market environment, number of outlets, sales structure and capital ties are described in more detail in the management report on the operations of the Eurocash Group and Eurocash S.A. in Chapter 2. Basic information about the Group. The Group does not present the number of employees by geographic area due to employment in Poland only.

Business Profile

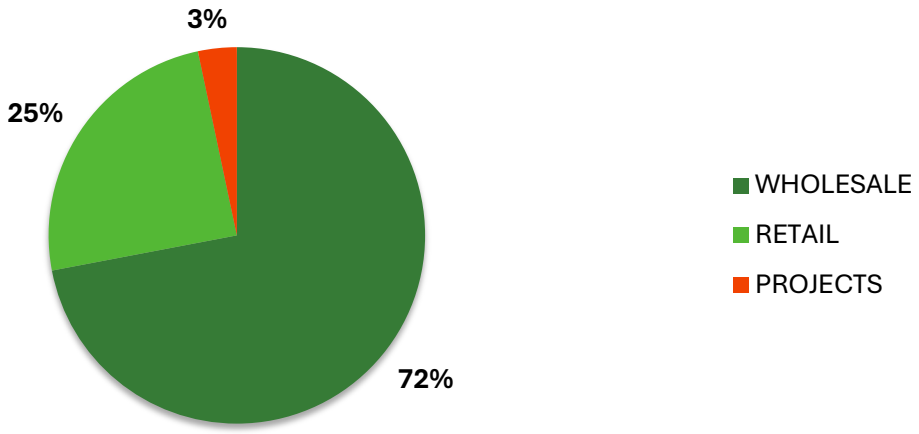
Through a range of distribution formats, Eurocash Group focuses its business on the wholesale distribution of goods to customers in the independent grocery market, particularly to retail stores (small supermarkets and grocery stores), convenience stores, gas stations, and restaurant, hotel and café chains.

The Group pays special attention to the adult assortment. Alcohol offered by Eurocash goes only to entrepreneurs with the required licenses for its sale. In turn, the procedures for the tobacco products offered are fully adapted, among other things, to the EU directive limiting the gray zone of cigarette sales. The Group has solutions in place to monitor and track the movement of tobacco products from the moment they leave the manufacturer's location to the first retail outlet

Sales structure

The Group has included reporting of significant business segments in its financial statements in accordance with IFRS 8, broken down into retail, wholesale and projects. The significant groups of products offered relate to two categories: alcohol and tobacco products, which account for 26% and 26.3% of sales, respectively. More information on the Group's structure and segmentation is available in Chapter 2 "Notes to the Consolidated Financial Statements in Note 2 "Business Segments"

Figure 1. Percentage share of revenue from merchandise sales by business segment



Eurocash Group is also a responsible employer for more than 16,000 people employed under employment contracts. The company's organizational culture provides each employee with respect, clear rules for cooperation and promotion, as well as extensive opportunities for professional development.

The Eurocash Group declares that it is not active in the fossil fuel, controversial weapons, chemical production and tobacco cultivation and production sectors.

The unit's sustainability goals

The sustainability strategy we have adopted presents our approach and assumptions to sustainability topics, our ambitions and projects to support us in doing business even more responsibly.

The direction of ESG (Environmental, Social, Governance) activities is set by the *Together for Sustainability Strategy*. Its pillars respond to the needs and expectations of the Group's key stakeholders - employees, entrepreneurs, business partners, consumers and the environment.

Figure 2. ESG Strategy objectives by pillar with a list of chapters



1.3. Value chain

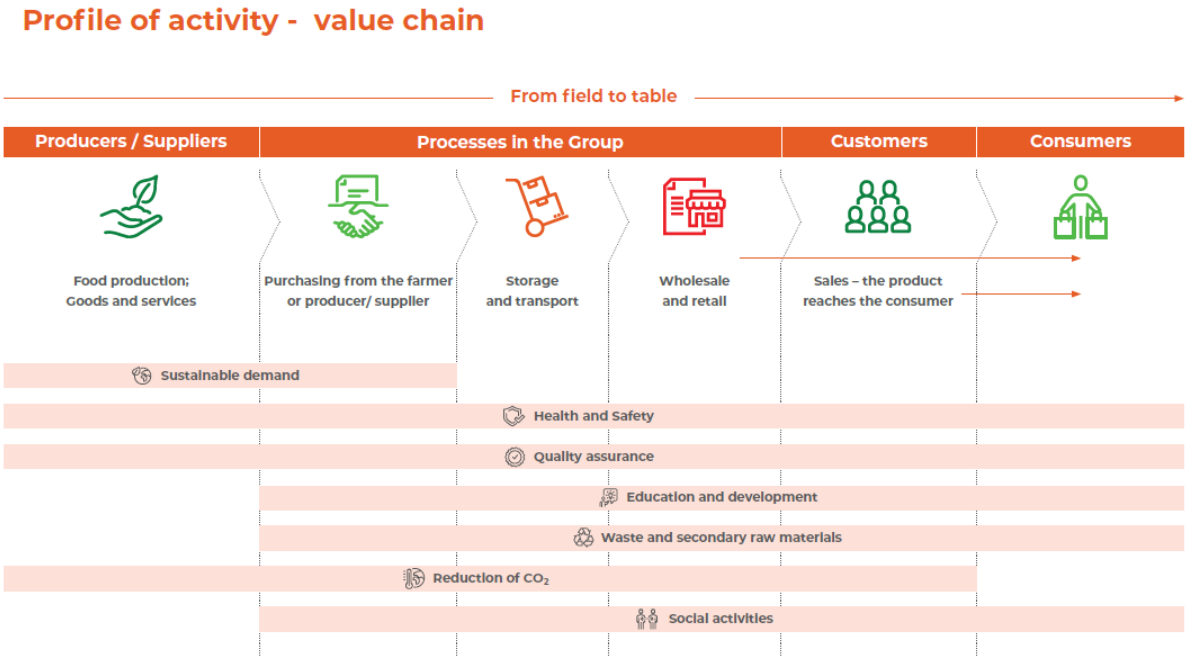
[SBM-1]

The Eurocash Group's value chain model was developed based on an analysis of the flow of goods. The key element of the value chain is the operational processes carried out in the Group, which include the management of purchasing, transportation and sale of goods to customers up to the final phase of their life cycle. In developing the value chain, the Group took into account business relationships and activities to attract new customers and retain existing ones.

The earlier stages of the value chain, referred to as **upstream**, include all operations carried out by others. These include the sourcing of raw materials, the production of food, as well as support activities such as the generation of electricity purchased by the Group and the supply of water. This group includes producers of food and primary raw materials, processing, and suppliers of services necessary to carry out operations.

In the area of **own operations**, the Group lists the supply of products and services from manufacturers. The main stakeholders in the own operations stage are employees responsible for warehousing and transportation, suppliers of products or services, and employees, owners and consumers associated with wholesale or retail sales.

Downstream in the value chain, on the other hand, refers to the later stages of distribution. It includes processes related to retail sales by the Group's customers and franchisees, waste processing and end use of products by consumers.



The value chain model is used, among other things, to calculate greenhouse gas emissions, analyze the interactions between the Group and its environment, and evaluate processes in the context of a circular economy.

Table 1. Stakeholders in the value chain

Stage of the value chain	Stakeholder group	Description of activities undertaken by the entity
Upstream		
Food production; goods and services	Food and primary commodity producers	Food production (crops, animal husbandry)
	Producers (processors; agricultural cooperatives, processing plants)	Food processing
	Service providers (energy, water, consulting services) Other non-commercial suppliers	Concluding contracts for energy and water supply Monitoring of energy and water consumption
Own operations		
Purchase from farmer or producer/supplier	Product/service providers Employees	Supply of products and services from manufacturers
Storage and transportation	Logistics and warehouse employees Employees of temporary employment agencies (warehouses) Carriers (transportation to and from the organization)	Transportation of goods, products taking into account relevant quality criteria Use of advanced IT systems for inventory and logistics management
Sales wholesale and retail	Cash and carry wholesalers – employees Retail store owners (small supermarkets and grocery stores), including their own stores Owners of convenience stores Owners of gas stations Owners of restaurants, hotels and cafes Consumers/end users	Daily transactions: regular purchases and deliveries made on an as-needed basis. Handling complaints and returns
Downstream		
Retail sales by Eurocash customers and franchisees	Retail customers Employees of retail customers	Daily transactions: regular purchases at cash and carry wholesalers
Product use - the product reaches the consumer	Consumers/end users	Purchase of goods Consumers are a key element in the final stage of a product's life cycle. After using the product, consumers are encouraged to dispose of packaging responsibly Campaigns to reduce waste: Szanujemy, nie marnujemy
End of life	Waste recipients and processors	Collection of waste by approved companies Processing of waste

1.4. Group strategy

[SBM-1] Business strategy

Business strategy is a key element that determines its competitiveness and ability for long-term development. In a dynamically changing market environment, successful management of commercial activities requires precisely defined objectives, clearly defined competitive advantages and a flexible approach to changing economic conditions and customer expectations.

The strategy aims not only to maximize profits, but also to build lasting relationships with customers, optimize operational processes, and leverage innovative technological solutions. The Group aims to increase its efficiency by streamlining its supply chain, developing its offerings and adapting to market trends such as digitalization and sustainability.

An effective business strategy is based on analyzing the competition, identifying key market segments and adapting operational activities to changing consumer needs. This allows the Group to build a strong market position and achieve stable growth in the long term.

For more information on this business strategy, see Chapter 3 to the Management Board's Report on the Operations of the Eurocash Group.

Group values

Eurocash Group values are the foundation of our organizational culture. They guide our actions and decisions, defining who we are and how we act both internally and in our relationships with our customers, business partners and the communities in which we operate. In making decisions at every level, the Group is guided by the following values:



Teamwork

In an organisation as complex and dynamically growing as the Eurocash Group, results stem from effective co-operation and a common source of motivation. A dynamic approach, creativity, and numerous synergy effects engendered by teamwork allow us to achieve results that bring satisfaction to the entire company, as well as each and every employee.

Profit sharing

When the Eurocash Group achieves its goals, individual employees also share in the profit. We are all evaluated on the tasks performed, which contribute to the entire team's success. Courage in decision-making, flexibility, focus on increasing efficiency, and meeting ambitious challenges are particularly appreciated.

Reliability

We believe that we make our own destiny and that the challenges we face are an opportunity for development. Our philosophy is based on a "360 degrees" approach, according to which we are evaluated by our superior, co-workers, internal clients, as well as people in parallel positions

Job satisfaction

The Eurocash Group cares about being an attractive employer. We achieve this by fairly rewarding for the results achieved. It is of great importance to us that our employees derive satisfaction and joy from overcoming the challenges they face. The work environment in the Eurocash Group is informal, it gives development opportunities and allows one to gain experience in an exciting, passionate and energetic environment.

[SBM-1] Sustainability Strategy "Together for Sustainability ".

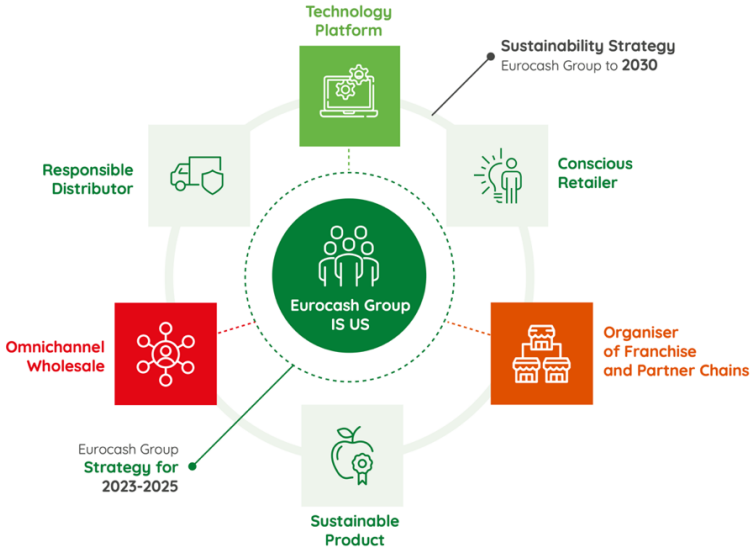
In the face of growing environmental, social and economic challenges, sustainability strategy is becoming a key element in the long-term success of an organization. Its goal is to harmoniously combine economic growth, environmental protection and social responsibility.

In implementing the strategy, the Group has sought, among other things, to minimize the negative impact of its operations on the planet, use resources efficiently, and care for social welfare. We believe that implementing such measures not only increases the Group's competitiveness, but also builds reputation and contributes to global initiatives to protect the environment and improve the quality of life.

Adopting a sustainability strategy requires us to take a long-term approach, collaborate with stakeholders, and innovate. It is not only an obligation, but also an opportunity to create a more resilient and responsible business model.

The "Together for Sustainability" strategy complements and develops the goals, both business and ESG, outlined in the Eurocash Group's overall strategy for 2023-2025. The strategy presents our approach and assumptions to sustainability topics, ambitions and projects to support us in doing business even more responsibly.

Figure 3. Positioning of the sustainability strategy in the Group's business environment



The level of implementation of the 2024 Sustainability Strategy and targets for 2025 and 2030 are shown in the table.

Table 2. Level of implementation of the sustainability strategy in 2024 and targets for 2025 and 2030

I PILLAR: EUROCASH IS US		Chapter	2024	2025	2030
A safe and friendly workplace	D&I strategy	3.1.A.	Publishing the Diversity, Equity and Inclusion Strategy	-	Performance analysis strategy and its adaptation on a three-year cycle
	Accident rate*		13,5/1000	Reduce accident rate to (9/1000)	Maintain an accident rate of at least 9.0 (9/1000)
	Accident prevention - expanded training program in occupational health and safety and first aid	3.1.H.	165 drivers trained in safe driving rules and 3793 people trained in first aid	800 drivers trained in safe driving principles and 5,000 in first aid	100% of new hires
Development and education	Training offerings - tailored to the individual development needs of employees and team groups - NPS indicator in evaluating training usability	3.1.G.	92%	90%	92%
Commitment and satisfaction	Social activities - % of general employees involved in activities**		11%	7%	10%
	Strengthening the culture of commitment in teams - employee engagement index	3.1.D.	44%	5% above market	5% above market
	Applying best practices related to people management	3.1.D.	Maintaining the Top Employer certification	Maintaining the Top Employer certification	Maintaining the Top Employer certification

* Accident rate - the target contains a list of Companies that is inconsistent with the ESRS Standard

** Social activities were not included as an important topic in the Report

PILLAR II: SUSTAINABLE PRODUCT		Chapter	2024	2025	2030
Origin and consumption of resources	Implement a purchasing policy for critical product raw materials	2.2.	-	Determination of critical raw materials of Eurocash Group products-> by mid-2025	
Quality and safety	Quality standards (ISO 22000, BRC,).	3.3.	Maintaining the ISO 22,000 standard	Maintaining the ISO 22,000 standard	Maintaining the ISO 22,000 standard
	Supplier good practices database - % of top suppliers committed to good practices for suppliers in terms of sustainability (accounting for 75% of EC turnover)	3.3.	38%	50%	100%
Szanujemy – nie marnujemy	Cyclically running Szanujemy – nie marnujemy campaign	2.3.	implementation of the SzNM campaign	implementation of the SzNM campaign	implementation of the SzNM campaign
	Inclusion in the Szanujemy – nie marnujemy program a % of business partners (franchisees - more than 10 stores and top suppliers) to monitor the food waste rate	2.3.	-	Top 30% of suppliers and FB required to monitor rate%	
	Percentage of food wasted (ratio of food wasted to food sold)	2.3.	0,39%	-0,29%	0,20 %

PILLAR III: RESPONSIBLE DISTRIBUTOR		Chapter	2024	2025	2030
Decarbonization	Achieving the SBTi goal	2.1.	34,1%	30%	Emission reduction by 47,7% vs 2020
	Obliging the top suppliers to calculate carbon footprint and set decarbonization targets (number of suppliers 77%)	2.1.	21	20	35
	Improving energy efficiency in own properties*		477 [kWh/m2]	400 [kWh/m2]	Reduction in energy consumption [kWh/m2] of -40% by 2030 vs 2020
Circular economy	Build a logistics network to collect packaging and waste from each of the Group's stores and its customers*		-	Ready-made model solutions for different store formats	50% of stores covered by logistics network receiving packaging and waste (including stores >200 m2)
Process efficiency	Optimization of supply Logistics*		Reduction in kilometers traveled in goods deliveries by 3.1 million km vs 2023	Reduction in kilometers traveled in goods deliveries by 3.5 million km vs 2023	Reduction in kilometers traveled in goods deliveries by 5.5 million km vs 2023

* The goal is not based on ESRS requirements

PILLAR IV: CONSCIOUS RETAILER		Chapter	2024	2025	2030
Fair bidding conditions for consumers	Improving business conditions for our partners through regular negotiations with manufacturers*		Improving the efficiency of purchasing departments in Eurocash Group	Improving the positioning of the independent market	Maintaining improved price positioning of the independent market
Support in running stores	Education within the framework of the Eurocash Skills Academy, including sustainable development (educational programs and campaigns) - number of participants	3.1.G.	37,256 participants	37,030 participants	39,030 participants
	Supporting Franchisees in Energy Transformation*		Organizing an electricity purchasing group for 2024	Building a joint electricity purchasing group	Providing 4 solutions in the area of reducing utility consumption in a store-type facility
Caring about localism	Increasing the number of local supplier's y/y in the categories: dairy (including eggs), fresh meat, fruits and vegetables*		-	Defining local suppliers including categories: - dairy (including eggs) - fresh meat - fruits and vegetables	Increase in the number of local supplier's y/y in categories vs 2025: - dairy (including eggs) - fresh meat - fruits and vegetables

* The goal is not based on ESRS requirements

Four pillars of strategy

Our mission is to shape responsible influence on economic relations, society and the environment. Our sustainability strategy is based on a comprehensive approach that considers not only business efficiency, but also environmental, social and ethical responsibility.

Central to this process are the designated four pillars of the sustainability strategy, which provide the foundation for long-term and stable growth. The pillars respond to the needs and expectations of the Group's key stakeholders, i.e. employees, responsible distributors, conscious retailers and sustainable products. The implementation of the strategy is overseen by the President of the Eurocash Group, together with the Board Members responsible for each area. The division of Board responsibilities is described in point 1.5 Management Structure.

Cross-cutting implementation of the strategy's elements allows the Group to effectively adapt to global trends, regulations and growing stakeholder expectations. By implementing activities within the four pillars, the Group can not only reduce its negative impact on the environment, but also build competitiveness and strengthen relationships with customers, business partners and employees across the value chain.

Figure 4. The four pillars of a sustainability strategy

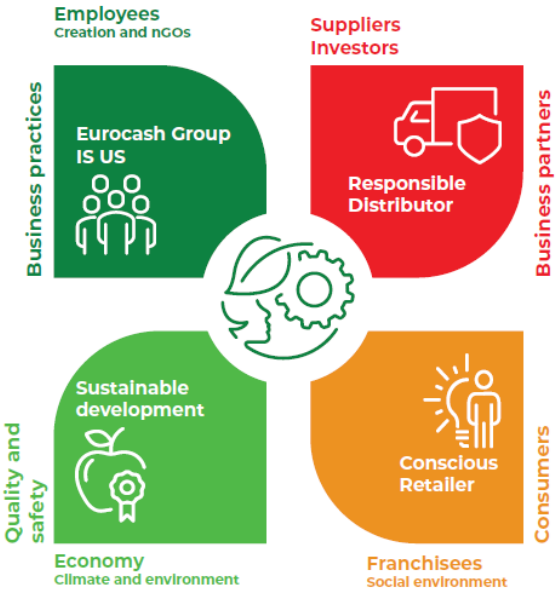


Figure 5. Sustainable development goals broken down into four pillars



The Group has identified elements of its strategy that address or affect sustainability issues, including major challenges or key projects.

Challenges:

- Climate change and emissions reduction - aligning distribution processes with decarbonization and climate neutrality requirements.
- Natural resource management - reducing energy consumption by implementing modern technologies and circular economy.
- Regulations and growing ESG requirements - aligning operations with increasingly stringent environmental, reporting and corporate social responsibility regulations.
- Customer and stakeholder expectations - growing environmental awareness among consumers and investors is forcing the delivery of more sustainable products.

Key projects

- Green operational transformation including investment in technologies that reduce energy consumption.
- Gradual transition to renewable energy, such as installation of photovoltaic panels and purchase of RES power.
- Optimizing the delivery and use of a green fleet.
- Circular economy project.
- Social responsibility and ethical management, i.e. working with suppliers with responsible business practices and extensive education in the value chain.

[SBM-2]

In 2024, the Group updated its sustainability strategy and supplemented the ESG goals outlined in the Eurocash Group's business strategy for 2023-2025. The strategy update included the interests and opinions of stakeholders. In addition to communication at the Group level, each business unit developed its own most effective way of building relationships, exchanging opinions and information. Dialogue with stakeholders was included at both the operational and strategic levels. In the former case, stakeholder opinions help to develop new solutions that best meet the needs of the audience. An example is the ongoing preparatory process for the deposit-in system. The Management Board and Supervisory Board are informed periodically on the interests and opinions obtained from stakeholders.

1.5. Management structure

[GOV-1] Role of administrative, management and supervisory bodies

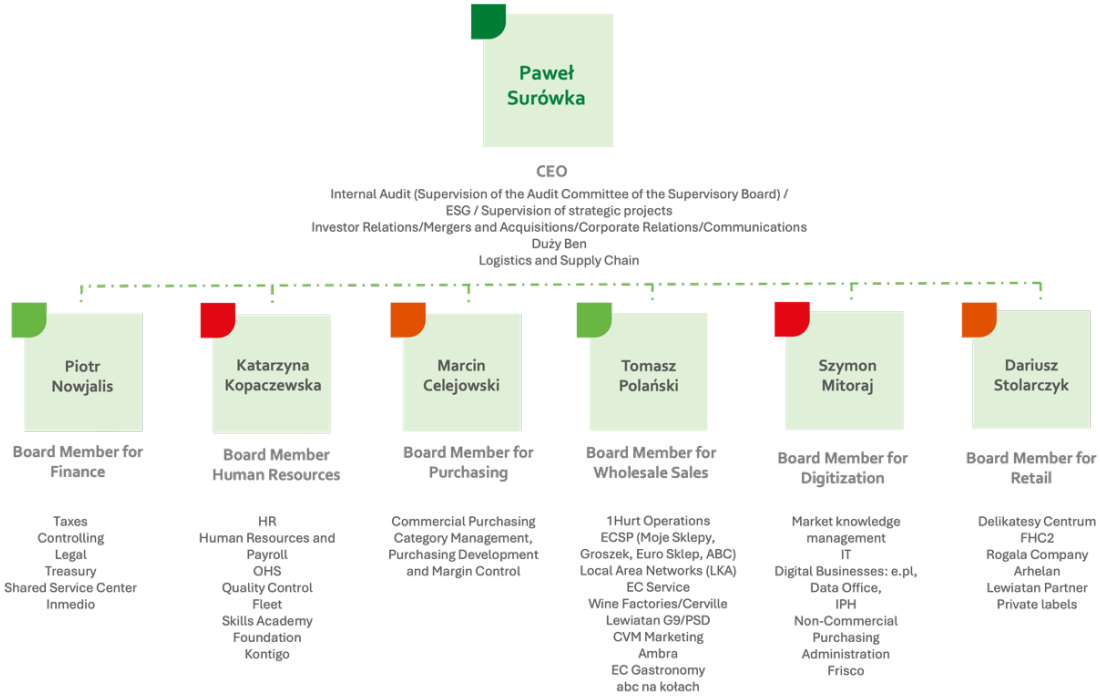
The Management Board of the Eurocash Group is composed exclusively of persons with the appropriate competence, skills and experience. Both the President and the Members of the Board are appointed by resolution of the Supervisory Board for an independent three-year term. The tasks of the body include, in particular, leadership and acting in the interest of the company, commitment to setting and achieving strategic goals, including in the area of sustainable development, and ensuring the company's efficiency and safety. The principles under which the Management Board operates and the criteria for the nomination of new members are defined in the Regulations of the Management Board. At the end of 2024, the Management Board consisted of seven people.

Management Board structure

Successful implementation of the sustainability strategy requires active oversight and involvement of the Management Board. Its role is to set direction, monitor progress and ensure compliance with regulations and stakeholder expectations, and implement a culture of sustainability within the organization, among others by:

- determining long-term sustainable development goals,
- creating strategies and overseeing policies covering environmental, social and governance areas,
- introducing key performance indicators (KPIs) to measure progress toward goals.

Figure 6. Management Board Structure



The experience and competencies of the members of the Management Board and Supervisory Board can be found on the Eurocash Group website: https://www.grupaeurocash.pl/o-nas/zarzad

Sustainability is an area of ongoing focus for management, including the Management Board and senior managers, and is subject to validation and oversight by the Supervisory Board.

Supervisory Board

On December 31, 2024, the composition of the Supervisory Board was as follows:

- Luis Amaral, Chairman of the Supervisory Board,
- Przemysław Budkowski, independent member of the Supervisory Board,
- dr Hans Joachim Körber, independent member of the Supervisory Board,
- Jorge Mora, independent member of the Supervisory Board,
- Francisco José Valente Hipólito dos Santos, Member of the Supervisory Board.

The activities of the Eurocash Group are supervised by the Supervisory Board. The Supervisory Board consists of 5 members, with the right to appoint and dismiss three members of the Supervisory Board being held by Politra B.V. (and its legal successors), while 2 members of the Supervisory Board are appointed and dismissed by the General Meeting. The dismissal of a member of the Supervisory Board is effective only if a new member of the Supervisory Board is appointed at the same time as the dismissal. Members of the Supervisory Board are appointed for a joint three-year term. The chairman of the body is appointed by a resolution of the Board. The Supervisory Board works in a culture of debate, analyzing the company's situation and performance and verifying the work of the Management Board, including in terms of achieving established sustainable development goals. ESG issues are discussed at Supervisory Board Meetings.

Information on management and supervisory bodies:

Number of women in the Management Board	Number of men in the Management Board	Gender percentage	Percentage of independent Management Board members
1	6	14% women / 86% men	100%
Number of women in the Supervisory Board	**Number of men in the Supervisory Board**	**Gender percentage**	**Percentage of independent members of supervisory bodies**
0	5	0% women / 100% men	60%

The number of executive members is 7 and non-executive members is 5. There is no representation of employees and others providing labor on the Management Board and Supervisory Board.

Committees:

The Supervisory Board has three committees - the Audit Committee, the Remuneration Committee and the Nominating Committee. Each of them consists of three members elected by the Supervisory Board, from among whom, also by the Board, the chairman of the respective committee is selected. One of the committees' tasks is, among others, to oversee the management of the Group's economic, environmental and employee impacts.

Audit Committee - members have industry knowledge and skills, at least one is a financial specialist, and at least one meets the criteria for independence:

- Jorge Mora - Chairman of the Audit Committee,
- Francisco José Valente Hipólito dos Santos - Member of the Audit Committee,
- dr Hans Joachim Körber - Member.

Nominating Committee - at least one member meets the criteria for independence:

- dr Hans Joachim Körber - Chairman of the Nominating Committee,
- Luis Manuel Conceicao Pais do Amaral - Member of the Nominating Committee,
- Jorge Mora - Member of the Nominating Committee.

Remuneration Committee - at least one member meets the criteria for independence:

- Przemysław Budkowski - Chairman of the Remuneration Committee,
- Francisco José Valente Hipólito dos Santos - Member of the Remuneration Committee,
- Jorge Mora - Member of the Committee.

Responsibility

The Group's Management Board approves the direction, scope of sustainability activities and goals, and reviews and oversees their integration with the organization's business objectives. In addition, it participates in the preparation of the non-financial report by approving, among other things, its structure, assumptions and scope of disclosures, and verifies the results of the double materiality assessment (DMA).

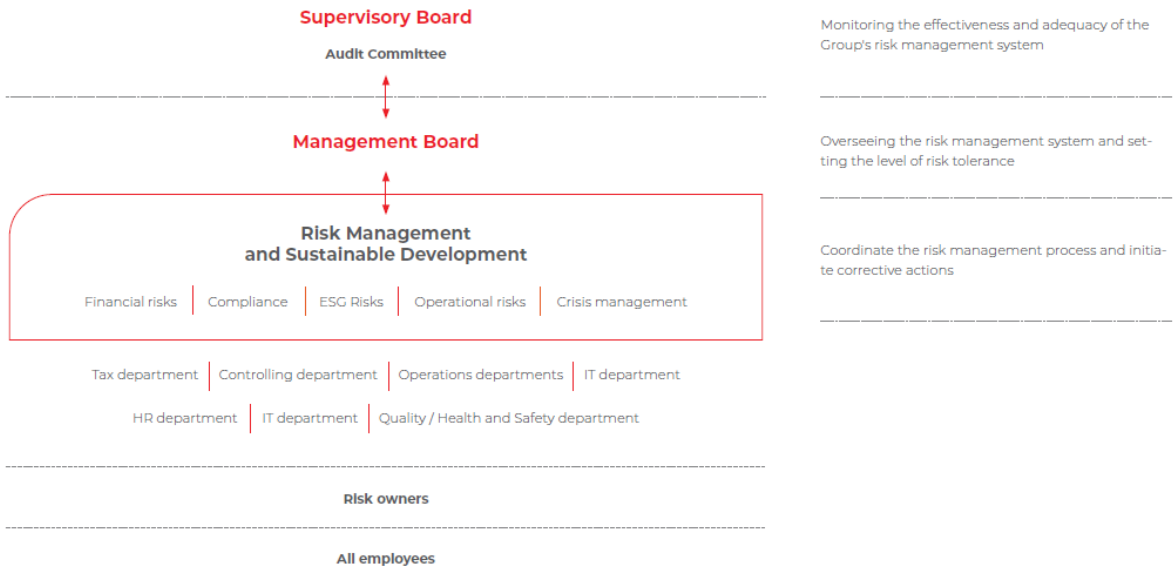
Management of the Group's ESG area reports directly to the CEO, as it covers all aspects of the organization. The CEO coordinates activities, assigns responsibility to designated individuals, and oversees key issues such as strategic development, risk management, ethics, compliance, environmental issues, taxonomy disclosures and double materiality.

Sustainability disclosure are discussed with relevant Management Board Members in face-to-face meetings and ongoing reviews. The Board also monitors sustainability risks. As part of the risk management process, regular meetings are held to review key challenges in this area.

In addition, the Management Board systematically improves its ESG expertise through meetings with experts and those responsible for this area in the organization.

Since 2022, the Group has had an ESG Team under the responsibility of the Director of Risk Management and Sustainability, who reports directly to the CEO. ESG-related activities are carried out with the support of the departments responsible for environmental protection, human resources and HR, health, safety and quality management, liquidity, legal department and communications, among others. Those responsible for each area – environmental, social and management - meet periodically and report to the Group's Management Board.

Figure 7. Structure of the risk management system in the Eurocash Group



The team's responsibilities include:

- implementation and coordination of sustainability strategies,
- supporting the achievement of sustainable development goals,
- supervision of the environmental area management system, including the environmental impact reduction program,
- attention to good relations with the business and social environment,
- reviewing, implementing, coordinating and enforcing social, environmental and climate sustainability policies, procedures and codes, as well as those related to corporate governance,
- advisory functions to managers on sustainability, working with internal experts.

The Chairman of the Management Board, who is responsible for oversight and management in the area of sustainability, is responsible for controlling the activities of the ESG Team.

[GOV-2] Responsibility for implementation of sustainability strategy

Sustainability, which combines economic, social and environmental aspects, requires involvement at various levels of the organization, from top management to executive employees. Management and

supervisory bodies are informed about sustainability issues at periodic meetings regarding, among other things, assessments of the risk analysis system of individual areas affected by risks, impacts and opportunities. Management of risks related to a particular area is carried out by individual units in the structure, and it is up to them to take responsibility for risk management. In the case of extraordinary or highly significant risks, management is subject to the assessment of the Management Board, which assigns responsibility to those appointed to each area.

Responsibility for managing sustainability impacts, risks and opportunities on the Group's Management Board is shown in the table:

Table 3. Responsibilities of the Management Board

Responsibility for managing impacts, risks and opportunities		Area
CEO	Pawel Surówka	Mitigation to climate change
CEO	Pawel Surówka	Energy efficiency and emissions
CEO	Pawel Surówka	Countering corruption and bribery
CEO	Pawel Surówka	Whistleblower protection
CEO	Pawel Surówka	Business ethics
CEO	Pawel Surówka	Risk management system
Board Member for Finance	Piotr Nowjalis	Payment practices
Board Member for Finance	Piotr Nowjalis	Security of personal data
Board Member for Human Resources	Katarzyna Kopaczewska	Working conditions, employment, education, employee rights, work - life balance, diversity and other issues related to your own employees
Board Member for Human Resources	Katarzyna Kopaczewska	Education of franchisees
Board Member for Human Resources	Katarzyna Kopaczewska	Biodiversity, resource use, and a circular economy
Board Member for Retail	Dariusz Stolarczyk	Rights of consumers and end users
Board Member for Retail	Dariusz Stolarczyk	Responsible market and marketing practices
Board Member for Commercial Procurement	Marcin Celejowski	Relationships with suppliers
Board Member for Wholesale Sales	Tomasz Polanski	Customer relations
Board Member for Digitization	Szymon Mitoraj	Cyber Security

In 2024, members of the Management Board collaborated on the development of the Group's new sustainability strategy, participating in workshops as experts and approving the goals and directions. As a result of the adopted solutions, the Group will develop a sustainability management system, and the Management Board will supervise the implementation of the strategy.

[GOV-3]

The Group has a Remuneration Policy for Members of the Management Board and Supervisory Board of Eurocash S.A.. It defines the principles of remuneration of members of the highest management bodies. The remuneration and financial objectives of the Members of the Management Board and Supervisory Board are not directly linked to sustainability goals, including climate change issues, however, individuals reporting to the Members of the Management Board and their teams have established business objectives related to ESG issues.

Remuneration systems for senior executives are based on Mercer's methodology and include a base salary and an annual bonus tied to the achievement of annual business goals. Base salary is determined based on Mercer's class, market practices and the position's business goals.

[GOV-4] Due diligence statement

Table 4. Presentation of the Group's actual practices with regard to due diligence

Basic elements of the due diligence process	Points in the sustainability statement
Including due diligence in the governance, strategy and business model	S1-1, S2-1, S4-1
Collaboration with affected stakeholders in all key stages of the due diligence process	S1-2, S2-2, S4-2
Identification and assessment of adverse impacts	IRO-1, SBM-3
Taking action to reduce identified adverse impacts	S1-3, S2-3, S4-3
Monitoring the effectiveness of these efforts and provide relevant information in this regard	S1-17, S2-4, S4-4

1.6. Significant ESG impacts, risks and opportunities

Materiality assessment process

[IRO-1]

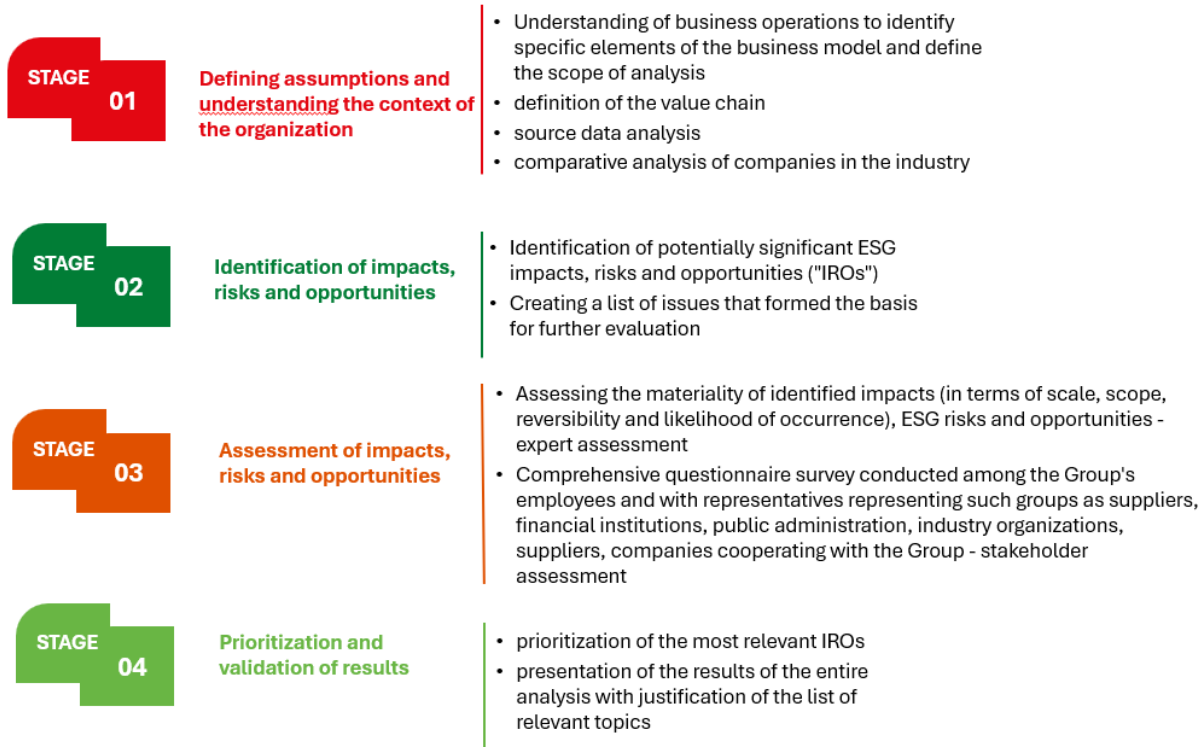
A materiality assessment process was conducted in 2022/2023 to identify key stakeholder groups and to identify the impacts that Eurocash Group's operations have on the environment and society. In 2024, the study was updated to fully comply with the requirements of the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS).

The double materiality analysis conducted took into account both the impact materiality perspective – the external impact of the Eurocash Group on areas of sustainable development, and the financial materiality perspective - the impact of external factors in the areas of environment, society and corporate governance affecting the Group. The study took into account the specifics of the FMCG industry, the business model, the value chain and the opinions of the Group's key stakeholders.

As a result of the analysis, a list of sustainability issues that may arise in the Group's operations and its value chain was developed, along with the identification of impacts, risks and opportunities and an assessment of their materiality.

The diagram below shows the steps of the double materiality assessment performed:

Figure 8. Steps in the double materiality assessment (DMA) process



During the process, impacts, risks and opportunities arising from the company's own operations and upstream and downstream business relationships in the value chain were identified and evaluated in the short, medium and long term.

During the survey, by completing an online survey, representatives of relevant stakeholder groups had the opportunity to assess the relevance of issues and risks arising in relation to our business, which were used to develop recommendations after the survey. 840 stakeholders participated in the survey, including 551 employees.

As a result of the study, the following items emerged:

- 19 key sustainability disclosures,
- 8 significant risks and 3 opportunities in this area.

Impact materiality assessment

A sustainability issue is relevant from an impact perspective insofar as it relates to an individual's significant actual or potential positive or negative impacts on people or the environment in the short, medium or long term.

Each identified impact was classified as:

- positive/negative,
- and actual/potential.

Then, in accordance with an internal expert methodology based on ESRS standards, materiality was assessed based on qualitative criteria including:

- scale,

- scope,
- irreversible nature (only in the case of negative impact),
- and the probability of occurrence,

assigning the appropriate weight to each criterion on a scale of 1 to 5, where 1 is the least and 5 is the greatest strength of influence.

In accordance with the ESRS guidelines, the principle that assessing the severity of an impact takes precedence over its likelihood has been applied when assessing potential negative impacts on human rights. To determine which topics are material, a materiality threshold was established in an expert manner with the greatest care and transparency, below which topics were considered irrelevant.

The process of identifying, assessing, prioritizing and monitoring the Eurocash Group's potential and actual impacts on people and the environment was conducted based on the due diligence process set forth in the international instruments of the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises.

Financial materiality assessment

A sustainability issue is material from a financial perspective if it has, or could reasonably be expected to have, a materiality financial impact on the entity.

For the identified impacts, the possible risks and opportunities that may occur in connection with a given impact and affect the Eurocash Group's financial position, financial results, cash flows, access to financing or cost of capital are identified.

Analogous to the impact assessment, in accordance with an internal expert methodology based on ESRS standards, materiality was assessed based on qualitative criteria including:

- scale,
- and the probability of occurrence,

assigning the appropriate weight to each criterion on a scale of 1 to 5, where 1 is the lowest and 5 is the highest impact.

In order to identify relevant topics as before, a materiality threshold was established, below which topics were considered irrelevant.

Issues that were significant from at least one impact and/or financial perspective were considered to be material issues that warrant disclosure of sustainability information.

The Management Board actively participated in the materiality study, was informed of the results of the study, set strategic directions and approved the list of material disclosures, and the Supervisory Board oversaw the process.

In the course of further work on reviewing the dual materiality analysis, the Group decided that it would complete the disclosure in the area [S4] of the personal safety of consumers or end-users in the context of the impact of sales of categories of goods accounting for more than 10% of the total volume, which consists of sales of alcohol and tobacco products. The Group's impact on consumers is disclosed in Point 3.3 Consumers and End Users. The Management Board has approved additional impacts, risks and opportunities in this area.

Significant risks related to sustainability issues have been included in the list of risks maintained at the Group.

The validity of the materiality process conducted is three years.

Relevant stakeholders

[SBM-2]

Eurocash stakeholders are identified both at the level of the Group as a whole and in individual business units. In order to identify key groups, the power of influence is studied in a two-way dimension: the Eurocash Group's impact on stakeholders, as well as their impact on the Group. The result of the activities is a stakeholder map, based on which we have identified the key stakeholder groups that have the greatest influence on the company's operations and that are affected by the company in some way.

Based on a review of internal and external documentation, and making the most of business expertise and active business relationships, consultations within the organization's ESG management team and key business units, the business environment was analyzed (so-called industry benchmarking - comparison with other organizations) and Eurocash Group stakeholders were identified.

Stakeholders:

- Employees
- Suppliers and subcontractors of products and services
- Shareholders
- Customers
- Consumers
- Other stakeholders:
    - Local communities and NGOs
    - Environment
    - Facility owners
    - Other contractors
    - Competition
    - Other Eurocash companies
    - Financial institutions
    - Education sector: universities and trade schools
    - Industry and consumer organizations
    - Certifying organizations
    - Media
    - Media and advertising agencies
    - Research organizations
    - Public administration
    - Environmental institutions

In 2023, a working meeting of the ESG team determined the materiality of stakeholders, examining the strength of influence in a two-way dimension, namely:

- The strength of the Group's impact on the stakeholder,
- The strength of the stakeholder's influence on the Group.

Dialogue with stakeholders is carried out through various channels of communication. In addition to communication at the Group level, each department or business unit develops its own most effective way of building relationships, exchanging opinions and information. Dialogue with stakeholders is included at both the operational and strategic levels. In the former case, stakeholder opinions help to develop new solutions that best meet the needs of the audience. An example is the ongoing preparatory process for the deposit system.

Information obtained through communication processes was used in the development of the Business and Sustainability Strategy. The Management Board and the Supervisory Board are informed periodically on the information obtained from stakeholders.

Table 5. The Group's methods of communication with important stakeholders

Relevant stakeholders	Forms of contact	Responsible entities
Employees	Intranet EC Live chats Employee Opinion Survey AUE learning platform Hotline Bulletin boards Business unit channels (radio, TV screens, newsletters)	HR Department Health and Safety Department Risk Management and Sustainability Department Eurocash Skills Academy
Suppliers	Ongoing communication Annual conference for suppliers Website	Central Purchasing Department Non-commercial Procurement Department Quality Department Individual companies Business units
Investors	Annual, semi-annual and quarterly reports Current reports Current communications Conferences Presentations Website	Investor Relations Department
Entrepreneurs	Ongoing communication NPS measurement system Newsletters Social and outreach campaigns Website Eurocash.pl platform AUE educational platform Survey of entrepreneurial development among Group customers	Individual companies Eurocash Skills Academy Communication Department
NGOs	Ongoing communication Cooperation on projects	Eurocash Group Foundation Employee Volunteer Coordinator Quality Department Communication Department Individual companies Business Units

Table 6. Group's relationship with significant stakeholders

Relevant stakeholders	Topics addressed and purpose of stakeholder engagement
Employees	Working conditions, adequate pay, equality and diversity, education and development, health, safety, security, health and safety at work and personal data, corruption, trust line, anti-bullying policy
Suppliers	Favorable business conditions, timely payment, transparent and fair business relations
Investors	Financial performance, implementation of business and sustainability strategy
Entrepreneurs	Working conditions, relations with franchisees, waste management and circular economy
NGOs	Working conditions, biodiversity, waste management and circular economy
Customers and consumers	Consumer inclusion, personal safety and information impact

Material impacts of sustainability

[SBM-3]

The materiality assessment conducted identified 19 sub-topics that are significantly affected by the Group (impact materiality) or that significantly affect the Group's operations (financial materiality).

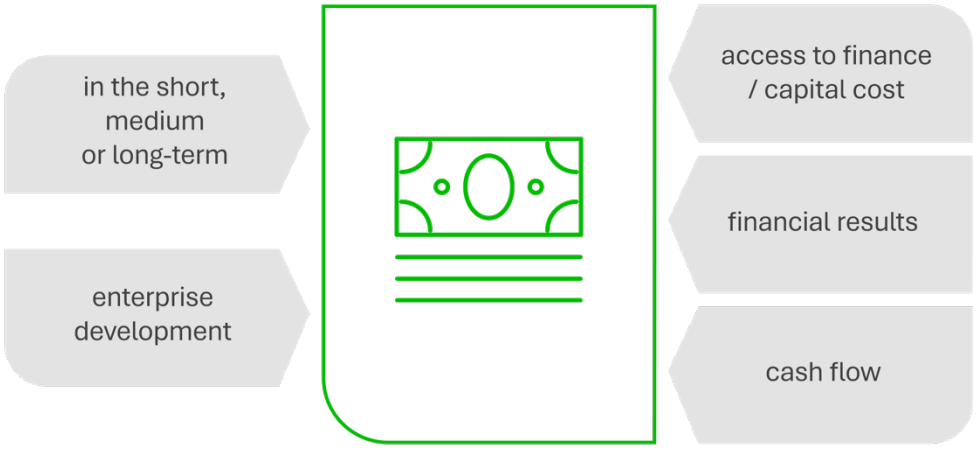
The materiality of the impact (influence) took into account what the Group has or could have on the environment and people, including the impact on their human rights, related to its own operations and to all levels of the value chain, including through its products and services, as well as through its business relationships. The materiality assessment was made based on qualitative information.



Specified:

- strength of impact,
- scope of impact,
- reversibility of effects,
- likelihood of impact.

In the case of **financial materiality**, sustainability risks and opportunities with negative/positive financial effects that have or could have a significant impact on the entity's cash flow, access to financing or cost of capital in the short, medium or long term were examined.



Specified:

- probability,
- the strength of the potential financial effect.

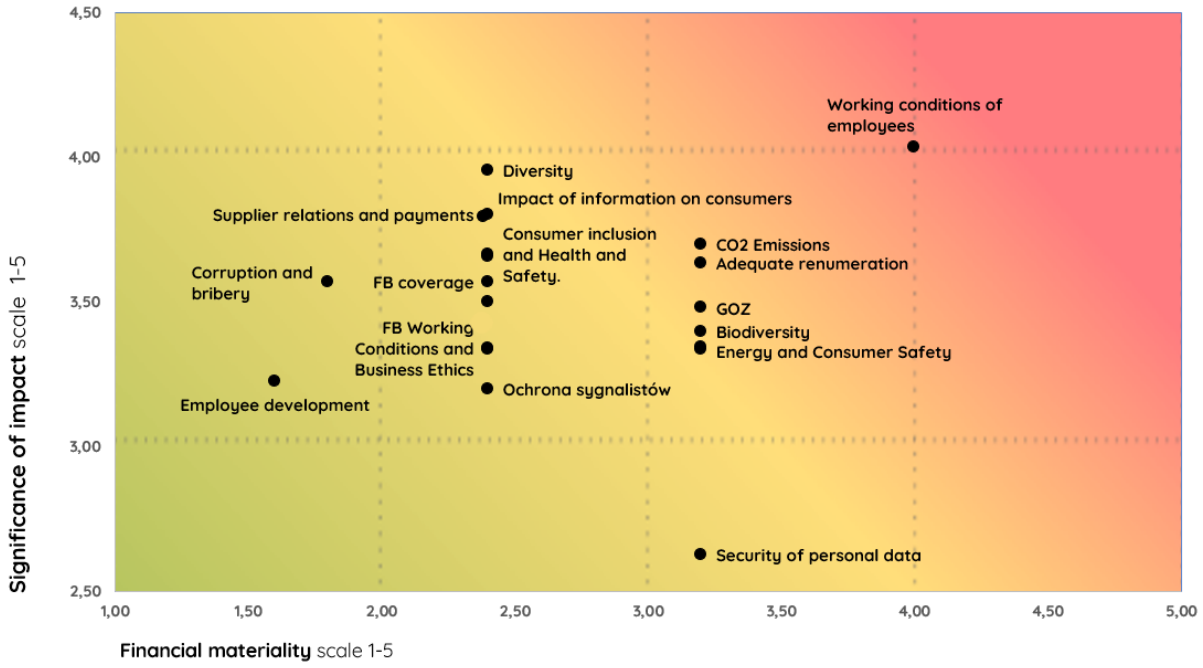
Table 7. Significant topics and description of influence (impact)

ESRS	TOPIC	NO.	SIGNIFICANT TOPIC	SUBTOPIC	PLACE OF INFLUENCE FORMATION	INFLUENCE (IMPACT)
E1	CLIMATE CHANGE.	1	CO_2 emissions	CO_2 emissions	Upstream / Own operations / Downstream	CO_2 emissions
						Reduction of CO_2 emissions
		2	Energy	Energy consumption		Energy consumption
						Efficient energy consumption
E4	BIODIVERSITY	3	Biodiversity	Acquisition and use of critical raw materials	Upstream / Own operations / Downstream	Acquisition and use of critical raw materials
						Implementation of EUDR requirements for deforestation products
						Acquisition of products related to the risk of deforestation and land degradation
E5	CIRCULAR ECONOMY	4	Sustainable waste management and circular economy activities	Sustainable waste management and circular economy activities	Upstream / Own operations / Downstream	Production of packaging for private label products
						Sustainable waste management and circular economy activities
						Recovery of materials from sold private label and packaging products
						Waste generation
						Waste segregation
						Countering food waste: “Szanujemy, nie marnujemy" campaign
						Educating franchisees on SUP regulations and the deposit system and support the implementation of the deposit system
S1	OWN WORKFORCE	5	Working conditions of own employee resources	Employment	Custom operations	Employment-contracts
						Employment - ATP
				Working Time		Hybrid work flexible working hours

ESRS	TOPIC	NO.	SIGNIFICANT TOPIC	SUBTOPIC	PLACE OF INFLUENCE FORMATION	INFLUENCE (IMPACT)
						Automation of Time Records
				Employee Opinion Survey		Employee Opinion Survey
				Work-life balance		Promoting work-home balance (wellbeing)
		6	Adequate remuneration	Remuneration policy		Remuneration policy
						Implementation of an adequate remuneration policy
						Wage pressures
						Employees' perception of remuneration
		7	OHS	Occupational Health and Safety Management and Promoting a Culture of Safety;		Health and safety service including regular training and education of employees and promotion of safety culture
						Employee health
						Health and safety audit
				Accidents and illnesses		Prevention of accidents and diseases
		8	Gender equality and diversity	Gender equality and diversity		Wage gap
						Gender equality
						Promoting diversity
		9	Security of personal data	Security of personal data		Countering data security breaches in information systems
						Data security and compliance with GDPR
		10	Development of own employee resources	Training and skills development		Training offer
S2	EMPLOYEES IN THE VALUE CHAIN	11	Working conditions in the value chain	Working conditions at suppliers	Upstream / Downstream	Implementation of regulations included in the Code for suppliers
				Working Conditions at Franchisees		Influencing franchisees
				Data protection in the value chain		Process risk analysis and qualification of suppliers, franchisees for compliance with data protection regulations
S4	CONSUMERS AND END USERS	12	Personal safety of consumers or end users	Personal safety of consumers or end users	Downstream	Impact on product quality and safety
						Data security and compliance with GDPR
						Sale of alcohol and tobacco products
		13	Impact of information on consumers or end users	Impact of information on customers		Product labeling
		14	Consumer inclusion	Consumer inclusion		Availability of products and services including an extensive network of stores
G1	BUSINESS PRACTICES	15	Business ethics and ESG management	Implement and promote ethics in the Group	Custom operations	Implementing and promoting ethics in the Eurocash Group
		16	Protecting whistleblowers	Protecting whistleblowers		Anonymity of submissions and promotion of integrity
						Whistleblower protection
		17	Supplier relations and payments	Relationships with suppliers		Supplier violations
						Regulating payments

ESRS	TOPIC	NO.	SIGNIFICANT TOPIC	SUBTOPIC	PLACE OF INFLUENCE FORMATION	INFLUENCE (IMPACT)
						Late payments
		18	Relationships with franchisees	Relationships with franchisees		Entering into agreements with franchisees
						Support for the development of entrepreneurs
						Flexibility and adaptation to local conditions
		19	Corruption and bribery	Anti-corruption policies and control systems		Implement an anti-corruption policy and supplier control system

Figure 9. Matrix of important topics



Significant risks and opportunities and risk management system

[SBM-3] [GOV-5]

During the DMA risks and opportunities were identified and rated as significant. Appropriate management of them makes it possible to minimize negative events and counteract their adverse effects. This is followed by informed and strategic decision-making and optimization of resources. The resilience of the organization is increased because early detection of threats allows to prevent or effectively respond to them, minimizing negative effects, and the use of opportunities resulting from the materiality assesment can lead to innovation and a better market position. Eliminating potential problems before they occur reduces losses and improves business continuity. A transparent approach to risk and opportunity management builds trust with customers, partners and employees.

A total of 8 material risks and 3 opportunities were identified in the environmental and social areas. There are none in the corporate governance area.

Table 8. Risks and opportunities in area E

ESRS	Significant topic	Risk or opportunity	Description	How the risk or opportunity is managed
E1	CO_2 emissions	Risks	Transformational risks including regulatory, technological, reputational and market risks and associated costs, where failure to adapt to the new environment can contribute to loss of image and market value. Loss of business partners through failure to meet emissions requirements. Risks associated with suppliers not taking decarbonization measures.	Calculation of GHG emissions in all 3 scopes together with monitoring of the progress of emission reductions in relation to the Eurocash Group's decarbonization targets established under the SBTi initiative and being part of the Sustainability Strategy. Monitoring emissions and taking decarbonization measures is one of the principles of the implemented Sustainability Policy.
	Energy consumption	Risks	The risk of rising energy and fuel costs and the risk of disruptions in their supply. Uncontrolled energy and fuel consumption in buildings and transport fleet. The need to comply with regulations that require financial expenditures for investments.	Monitoring of energy and fuel consumption and costs, allowing conscious management of this area, identifying irregularities and taking appropriate action. Regular inspection and servicing of equipment and appliances, as well as energy audits. Rationalization of energy and fuel use is one of the principles of the implemented Sustainable Development Policy, while improving the energy efficiency of facilities is one of the goals of the Sustainable Development Strategy. Consistent investments are being made to reduce energy consumption and increase the share of energy from renewable sources.
E4	Acquisition and use of critical raw materials	Risks	Risks related to the cost of adapting to new regulations or financial penalties in the event of non-compliance, as well as reputational risks as consumer awareness increases.	Critical raw materials issues are referenced in the Sustainable Development Strategy, under the fourth pillar: sustainable product-origin and resource consumption. It is planned to implement a purchasing policy for critical raw materials and products and for anti-deforestation.

ESRS	Significant topic	Risk or opportunity	Description	How the risk or opportunity is managed
E5	Sustainable waste management and circular economy activities	Risks	Lack of or limited access to raw materials for private label packaging. Risk of increased costs of: waste management, including due to lack of or inadequate segregation of recyclable materials; packaging and thus final private label products, which translates into their profitability; fee for taking over the recovery organization's obligation to carry out recovery and recycling of packaging waste. Image risk in terms of lack of understanding and negative reaction from customers (clients). Risk of losing customers due to lack of profitability, significant decrease in turnover and profit in case of deposit system Risk of financial penalties due to: failure to comply with legal requirements for packaging (e.g. rPET); failure to achieve appropriate levels of recovery and recycling of packaging waste improper handling of waste.	Waste and circular economy issues are part of the Sustainable Development Strategy. The waste management system is carried out in accordance with established policies and procedures. Continuous optimization of inventory management at Group locations. The Group has established a working team on the deposit system, which is working to develop the most optimal solution for implementing the system at its units and franchisees. Cooperation with NGOs or non-governmental organizations involved in food donation.
		Opportunity	Use of alternative forms of packaging. Increase in revenue from the sale of recyclable materials and recycling documents. Reduction in the cost of contracts with recovery organizations for taking over the obligation to recover packaging. Image, including improvement of relations and cooperation with franchisees. Building competitive advantage of customers - increase in turnover and profits.	Establishment of cooperation with recovery organizations to take over packaging recovery obligations.

Table 9. Risks and opportunities in area S

ESRS	Significant topic	Risk or opportunity	Description	How the risk or opportunity is managed
S1	Working conditions of own employee resources	Opportunity	Opportunity related to job security. Has an impact on: increasing employee commitment and loyalty, improving employer image, reducing staff turnover, attracting qualified employees. Staffing stability facilitates long-term planning and anticipation of the Group's needs including professional development of employees and achieving better results.	Insertion of goals into the business strategy and strategy. Group's sustainable development. Development of organizational culture. Extensive training offer. Friendly and safe working conditions. Promoting work-home balance.
	Adequate pay	Risks	Risks related to wage pressures, labor shortages and the loss of key personnel.	Transparent and up-to-date compensation policy based on Mercer methodology. Implementation of HR strategy. Taking into account the specifics of the business unit, segment or job group in the compensation policy. Total Rewards concept. Cyclical review of remuneration. Study of the Effectiveness of Remuneration Systems. Searching for solutions to remuneration policies.
		Opportunity	Implementation of an adequate remuneration policy. Attractiveness in the labor market. Top Employer Certificate. Flexible cost management.	Adequate remuneration policies and HR strategy make the Group more attractive to the best candidates in the labor market, which increases the chances of hiring highly qualified professionals. Strengthening employer branding. Introducing elements of variable remuneration.
	Security of personal data	Risks	Risk of data security breaches in information systems. Significant financial and reputational consequences.	Establish an IT Security team. Implementation of IT security policies and procedures. Technical, administrative and physical safeguards. Monitoring of security incidents and vulnerabilities. Testing for resilience. Training on information security and data protection.
S4	Personal safety of consumers or end users	Risks	Reputational risk due to sales to minors. Financial risks related to: a) the possibility of financial penalties for non-compliance with regulations b) loss of licenses c) illegal or misleading advertising, which may be considered to violate the collective interests of consumers.	Constant control of the validity and type of concessions. Development of manuals for business.
	Personal safety of consumers or end users	Risks	Risk of personal data security breach. Significant financial consequences. Loss of reputation and customers.	Implementation of legal obligation to handle personal data. Developing a series of policies and procedures on RODO. Reviewing privacy policies. Training employees on data protection. Undertaking a rapid response to any reports of potential violations. Ensuring that customers' rights can be exercised to delete, limit or amend their processed data. Applying technical protection measures. Processing data in accordance with its authorization and with due diligence. Audits of processes and processors. Control mechanisms. Evaluation of contractors before entering into cooperation.

1.7. ESRS compliance

[IRO-2]

In the course of the materiality analysis conducted, ESRS-2 *Pollution* was subjected to in-depth analysis, which was ultimately deemed not material to the organization. Eurocash Group's operations are primarily associated with the emission of pollution of air resulting from the combustion of fuels in transportation vehicles and heating sources, such as dust (total dust, PM10, PM2.5) carbon monoxide, nitrogen oxides and sulfur oxides. However, these are not substances of potential concern and of particularly high concern as well as the emission levels for each type of pollution do not exceed the applicable threshold value specified in Annex II of Regulation (EC) No. 166/2006.

Table 10. ESRS compliance

Disclosure number	Name of disclosure	Chapter in the report
ESRS 2	**GENERAL DISCLOSURE**	
BP-1	General basis for making sustainability statements	1.1.
BP-2	Disclosure of information with respect to special circumstances	1.1.
GOV-1	The role of administrative, management and supervisory bodies	1.5.
GOV-2	Information provided to the entity's administrative, management and supervisory bodies and the sustainability issues they undertake	1.5.
GOV-3	Integrating sustainability-related outcomes into incentive schemes.	1.5.
GOV-4	Due diligence statement	1.5.
GOV-5	Risk management and internal controls over sustainability reporting	1.6.
SBM-1	Strategy, business model and value chain	1.2., 1.3., 1.4.
SBM-2	Stakeholder interests and opinions	1.4., 3.1., 3.2.
SBM-3	Significant influences, risks and opportunities and their interrelationship with the strategy and with the business model	1.6., 2.1., 2.2., 2.3., 3.2.
IRO-1	Description of processes to identify and assess significant impacts, significant risks and significant opportunities	2.1., 2.2., 2.3.
IRO-2	ESRS disclosure requirements covered by entity's sustainability statement	1.7.
ESRS E1	**CLIMATE CHANGE**	
E1-1	Transition plan for climate change mitigation	2.1.
E1-2	Policies related to climate change mitigation and adaptation	2.1.
E1-3	Actions and resources in relation to climate policy	2.1.
E1-4	Climate change mitigation and adaptation goals	2.1.
E1-5	Energy consumption and energy mix	2.1.
E1-6	Gross Scope 1, 2 and 3 greenhouse gas emissions and total greenhouse gas emissions	2.1.
E1-7	Greenhouse gas removal and mitigation projects financed with carbon credits	2.1.
E1-8	Internal determination of greenhouse gas emission fees	2.1.
E1-9	Anticipated financial impacts from significant physical and transition risks and potential climate-related opportunities	Will be subject to reporting for the 2025 reporting year
ESRS E4	**BIODIVERSITY**	
SBM-3	Significant influences, risks and opportunities and their interrelationship with the strategy and with the business model	2.2.

Disclosure number	Name of disclosure	Chapter in the report
IRO-1	Description of processes to identify and assess significant impacts, significant risks and significant opportunities	2.2.
E4-1	Transition plan and integration of biodiversity and ecosystems into strategy and business model	2.2.
E4-3	Activities and resources related to biodiversity and ecosystems	2.2.
E4-4	Targets related to biodiversity and ecosystems	2.2.
E4-5	Impact indicators related to biodiversity and ecosystem change	2.2.
E4-6	Anticipated financial impacts from biodiversity and ecosystem risks and opportunities	2.2.
ESRS E5	**CIRCULAR ECONOMY**	
E5-1	Policies related to resource use and the circular economy	2.3.
E5-2	Activities and resources related to resource utilization and the circular economy	2.3.
E5-3	Targets related to resource utilization and a circular economy	2.3.
E5-4	Resources introduced into the organization	2.3.
E5-5	Resources drained from the organization	2.3.
E5-6	Anticipated financial impacts from impacts, risks and opportunities related to resource use and the circular economy	2.3.
ESRS S1	**PERSONS PROVIDING WORK FOR THE COMPANY**	
S1-1	Policies related to own workforce	3.1.A, 3.1.B, 3.1.D, 3.1.F, 3.1.G, 3.1.H.
S1-2	Procedures for working with your own employees and employee representatives on influences	3.1.D, 3.1.D, 3.1.G, 3.1.H.
S1-3	Processes for leveling negative influences and channels for reporting problems by unit employees	3.1.B, 3.1.D, 3.1.G, 3.1.H.
S1-4	Taking action on significant influences on its own workforce and using approaches to mitigate significant risks and take advantage of significant opportunities related to its own workforce, and the effectiveness of these actions	3.1.A, 3.1.C, 3.1.D, 3.1.G, 3.1.H.
S1-5	Objectives for managing significant negative impacts, increasing positive impacts, and managing significant risks and significant opportunities	3.1.C, 3.1.D, 3.1.H.
S1-6	Characteristics of the unit's employees	3.1.E.
S1-7	Characteristics of non-employees who are the entity's own employees	3.1.E.
S1-8	Scope of collective bargaining and social dialogue	3.1.F.
S1-9	Diversity indicators	3.1.A.
S1-10	Adequate wages	3.1.F.
S1-11	Social protection	3.1.F.
S1-12	People with disabilities	3.1.F.
S1-13	Indicators for training and skills development	3.1.G.
S1-14	Occupational health and safety indicators	3.1.H.
S1-15	Indicators of work-life balance	3.1.D.
S1-16	Wage indicators (wage gap and total compensation)	3.1.F.
S1-17	Incidents, complaints and serious human rights impacts	3.1.B.
ESRS S2	**EMPLOYEES IN THE VALUE CHAIN**	
S2-1	Policies related to employees in the value chain	3.2.
S2-2	Collaborative processes with those doing work in the influencer value chain	3.2.

Disclosure number	Name of disclosure	Chapter in the report
S2-3	Processes for leveling negative influences and channels for employees to report problems in the value chain	3.2.
S2-4	Addressing significant impacts on value chain performers and applying approaches to manage significant risks and opportunities related to value chain performers and the effectiveness of these actions	3.2.
S2-5	Objectives for managing significant negative impacts, increasing positive impacts, and managing significant risks and significant opportunities	3.2.
ESRS S4	**CONSUMERS AND END USERS**	
S4-1	Policies related to consumers and end users	3.3.
S4-2	Influencer collaboration processes with consumers and end users	3.3.
S4-3	Remediation processes for negative impacts and channels for consumers and end users to report problems	3.3.
S4-4	Addressing significant consumer and end-user impacts and applying approaches to manage significant risks and capitalize on significant consumer and end-user opportunities, and the effectiveness of these actions	3.3.
S4-5	Objectives for managing significant negative impacts, enhancing positive impacts, and managing significant risks and significant opportunities	3.3.
ESRS G1	**CORPORATE GOVERNANCE**	
GOV-1	The role of administrative, supervisory and management bodies	1.5.
G1-1	Corporate culture and business policies	4.1, 4.2, 4.5.
G1-2	Supplier relationship management	4.4., 4.5.
G1-3	Prevention and detection of corruption and bribery	4.3.
G1-4	Confirmed incident involving corruption or bribery	4.3.
G1-6	Payment practices	4.5.

Table 11. List of data points included in cross-cutting standards and thematic standards that result from other EU legislation

Regulation	Disclosure requirement and related data point	Chapter number
ESRS 2 GOV-1	Gender diversity of board members poinr 21(d).	1.5.
ESRS 2 GOV-1	Percentage of board members who are independent point 21(e)	1.5.
ESRS 2 GOV-4	Due diligence statement point 30	1.5.
ESRS 2 SBM-1	Participation in fossil fuel activities point 40(d)(i)	1.2.
ESRS 2 SBM-1	Participation in chemical production activities point 40(d)(ii)	1.2.
ESRS 2 SBM-1	Participation in controversial weapons activities point 40(d)(iii)	1.2.
ESRS 2 SBM-1	Participation in tobacco cultivation and production activities point 40(d)(iv).	1.2.
ESRS E1-1	Transformation plan to achieve climate neutrality by 2050 point 14	2.1
ESRS E1-1	Units excluded from the scope of reference indicators adapted to the Paris Agreement point 16(g).	Not applicable
ESRS E1-4	Greenhouse gas emission reduction targets point 34	2.1
ESRS E1-5	Fossil energy consumption disaggregated by source (applies only to sectors with significant climate impacts) point 38	2.1
ESRS E1-5	Energy consumption and energy mix point 37	2.1.
ESRS E1-5	Energy intensity linked to activities undertaken in sectors with significant climate impacts points 40-43	2.1.
ESRS E1-6	Scope 1, 2, 3 gross greenhouse gas emissions and total greenhouse gas emissions point 44	2.1
ESRS E1-6	Gross greenhouse gas intensity points 53-55	2.1
ESRS E1-7	Greenhouse gas removal and carbon credits point 56	2.1
ESRS E1-9	Reference portfolio's exposure to physical climate risk point 66	Not subject to reporting

Regulation	Disclosure requirement and related data point	Chapter number
ESRS E1-9	Disaggregation of monetary sums according to acute and permanent physical risk point 66(a)	Not subject to reporting
ESRS E1-9	Location of significant assets with significant physical risk point 66(c)	Not subject to reporting
ESRS E1-9	Distribution of the book value of real estate by energy efficiency classes point 67(c).	Not subject to reporting
ESRS E1-9	Degree of portfolio exposure to climate-related opportunities point 69	Not subject to reporting
ESRS E2-4	Amount of each pollutant listed in Annex II of the E-PRTR (European Pollutant Release and Transfer Register) emitted to air, water and soil, point 28	Not significant
ESRS E3-1	Water and marine resources point 9	Not significant
ESRS E3-1	Special policy point 13	Not significant
ESRS E3-1	Sustainable practices in the seas and oceans point 14	Not significant
ESRS E3-4	Total amount of water recycled and reused point 28(c).	Not significant
ESRS E3-4	Total water consumption in m3 per net income from own operations point 29	Not significant
ESRS 2 SBM-3-E4	Point 16(a)(i)	Not significant
ESRS 2 SBM-3-E4	Point 16(b)	Not significant
ESRS 2 SBM-3-E4	Point 16(c)	Not significant
ESRS E4-2	Sustainable land/agriculture practices or policies point 24(b).	2.2.
ESRS E4-2	Sustainable ocean/sea practices or policies point 24(c)	2.2.
ESRS E4-2	Policies to combat deforestation point 24(d).	2.2.
ESRS E5-5	Non-recycled waste point 37(d).	2.3.
ESRS E5-5	Hazardous waste and radioactive waste point 39	2.3.
ESRS 2 SBM-3-S1	Risk of incidents of forced labor point 14(f).	3.1.
ESRS 2 SBM-3-S1	Risk of incidents of child labor point 14(g).	3.1.
ESRS S1-1	Policy commitments to respect human rights point 20	3.1.A.
ESRS S1-1	Due diligence strategies for issues covered by the International Labor Organization's Core Conventions number 1-8, point 21	3.1.A.
ESRS S1-1	Procedures and measures for the prevention of human trafficking point 22	3.1.A.
ESRS S1-1	Policy or management system for prevention of occupational accidents point 23	3.1.H.
ESRS S1-3	Mechanisms for handling complaints point 32(c)	3.1.B.
ESRS S1-14	The number of work-related deaths and the number and rate of work-related accidents point 88(b) and (c)	3.1.H.
ESRS S1-14	Number of days lost due to injuries, accidents, fatalities or illnesses point 88(e)	3.1.H.
ESRS S1-16	Unadjusted gender wage gap point 97(a).	3.1.F.
ESRS S1-16	Excessive level of remuneration of the CEO point 97(b)	Not significant
ESRS S1-17	Cases of discrimination point 103(a)	3.1.B.
ESRS S1-17	Failure to comply with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines point 104(a).	3.1.B.
ESRS 2 SBM-3-S2	Significant risk of child or forced labor in the value chain point 11(b).	3.2.
ESRS S2-1	Policy commitments to respect human rights point 17	3.1 A.
ESRS S2-1	Policies related to employees in the value chain point 18	3.1 A.
ESRS S2-1	Failure to comply with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines point 19	3.1 A.
ESRS S2-1	Due diligence strategies for issues covered by the International Labor Organization's Core Conventions 1-8, point 19	3.1 A.
ESRS S2-4	Human rights issues and incidents related to upstream and downstream value chain point 36	3.2.
ESRS S3-1	Human rights policy commitments, point 16	Not significant
ESRS S3-1	Failure to comply with the UN Guiding Principles on Business and Human Rights, the ILO Principles, or the OECD Guidelines point 17	Not significant
ESRS S3-4	Issues and incidents concerning respect for human rights point 36	Not significant

Regulation	Disclosure requirement and related data point	Chapter number
ESRS S4-1	Policy relating to consumers and end-users point 16	3.3.
ESRS S4-1	Failure to comply with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines point 17	3.3.
ESRS S4-4	Issues and incidents concerning respect for human rights point 35	3.3.
ESRS G1-1	United Nations Convention against Corruption point 10(b)	Not subject to reporting
ESRS G1-1	Protection of whistleblowers point 10(d)	4.2.
ESRS G1-4	Fines for violations of anti-corruption and anti-bribery laws point 24(a)	4.3.
ESRS G1-4	Anti-corruption and bribery standards point 24(b)	4.3.



Environment

E S G

2. ENVIRONMENT [E]

2.1. Climate change

Eurocash Group's operations are related to the use of energy and fuels in operating facilities and transportation, accompanied by the generation of greenhouse gas emissions that contribute to climate change. Aware of the materiality of the impact of our operations on the environment and climate, we have been taking measures to reduce negative impacts for years through the implementation of environmental policies and strategies, sustainable development, decarbonization, and relevant initiatives.

Policies related to climate change mitigation and adaptation

[E1-2]

The issues of combating climate change in the Eurocash Group, including our approach, the goals set, the directions of activities and the measures of implementation, are defined in the *Sustainability Policy* and the *Strategy "Together for Sustainable Development"* which complements and develops the goals of the ESG area as presented in the overall *Strategy of the Eurocash Group*.

The key principles in the *Sustainability Policy* that relate to climate protection are:

- Building environmental awareness among employees and partners throughout the supply chain,
- Considering the environmental criteria in decision-making and operational activities,
- Rational use of natural resources including water, energy and fuels,
- Monitoring the group's carbon footprint in all three scopes and take decarbonization measures.

The "Together for Sustainability" strategy includes ambitious decarbonization targets that the Group has prepared in response to the growing awareness of its business and the expectations of external stakeholders. The strategy also includes goals for improving the efficient use of energy in operational facilities and optimizing in the transportation of supplies by reducing the number of kilometers traveled. The result of implementing these measures is lower energy and fuel consumption, which translates into a reduction in greenhouse gas emissions.

In accordance with established principles, the Group has a monitoring system for energy and fuel consumption and a carbon footprint is calculated annually in 3 ranges, which allows us to better manage these areas.

Greenhouse gas emission reduction targets

[E1-4]

In 2022, Eurocash Group joined the Science Based Targets Initiative (SBTi), under which decarbonization targets through 2030 were set and approved in 2023.

The established targets commit us to reduce CO_2 emissions by no less than **47.7%** by 2030 in scope 1 and 2 emissions compared to 2020, and to engage major suppliers to set their own decarbonization targets by 2027 in scope 3.

The adopted decarbonization targets for 2030 were set as envisioned by the Paris Agreement, and aim to limit global warming to 1.5°C.

*As part of the SBTi initiative, calculated Scope 1 and 2 greenhouse gas emissions and established decarbonization targets for entities over which the Eurocash Group had operational control at the time, i.e.: Eurocash S.A.; Eurocash Serwis sp. z o.o.; AMBRA sp. z o.o.; Polska Dystrybucja Alkoholi sp. z o.o.; Eurocash Franczyza sp. z o.o.; Lewiatan Podkarpacie sp. z o.o.; Lewiatan Północ sp. z o.o.;

Lewiatan Kujawy sp. z o.o.; Lewiatan Wielkopolska sp. z o.o.; Lewiatan Opole sp. z o.o.; Lewiatan Orbita sp. z o.o.; Lewiatan Zachód sp. z o.o.; Lewiatan Podlasie sp. z o.o.; Lewiatan Śląsk sp. z o.o.; Euro Sklep sp. z o.o.; Partnerski Sklep Detaliczny SA; Eurocash Sieci Partnerskie sp. z o.o.; Delikatesy Centrum sp. z o.o.; Podlaskie Delikatesy Centrum sp. z o.o.; Kontigo sp. z o.o.; Duży Ben sp. z o.o.; abc na kołach sp. z o.o.; Innowacyjna Platforma Handlu sp. z o.o.; Detal Finanse sp. z o.o.; Akademia Umiejętności Eurocash sp. z o.o., Partner sp. z o.o.. They do not include the following companies: Lewiatan Holding S.A.; Firma Rogala Sp. z o.o.; Inmedio Sp. z o.o.; Arhelan Sp. z o.o.

Transition plan for climate change mitigation

[E1-1]

Setting decarbonization targets allowed us to identify areas and create a plan for reducing GHG emissions in the Eurocash Group with a 2030 outlook.

Eurocash S.A. and none of its subsidiaries have a transformation plan for climate change mitigation by 2050, it is planned to prepare such a plan by 2027.

Actions and resources in relation to climate policy

[E1-3]

The Eurocash Group has been taking action to mitigate climate change for many years by implementing projects that contribute to the reduction of CO_2 emissions in its operations, and by joining the global SBTi Initiative it has reaffirmed its commitment to combating climate change.

Key activities and projects implemented in the Eurocash Group that are levers for decarbonization:

- diversification of the sources of energy used in facilities towards increasing the share of green energy,
- modernization of cooling systems to gradually move away from high-carbon refrigerants,
- improvement of energy efficiency of operational buildings,
- optimization of fuel consumption in logistics.

According to our decarbonization strategy, the main lever for reducing greenhouse gas emissions will be the use of energy from renewable sources. In 2025, an evaluation of strategic activities will be conducted and their contribution to the decarbonization goal will be determined.

Table 12. Decarbonization measures taken in 2024.

Action	Description
Optimization of energy and fuel consumption in buildings	Investment implementation: – modernization of cooling systems in stores, warehouses, distribution center, – replacement of lighting in stores and warehouses, – modernization of heating and ventilation systems in stores, warehouses, distribution centers, – replacement of branch equipment with better energy-rated equipment in stores and wholesalers.
	Monitoring and control of energy and fuel consumption at operational facilities.
	Rational management of energy consumption through implementation of good practices and education of users of operational facilities.
Replacement of refrigerants in cooling systems	Refrigerant replacement as part of a refrigeration system upgrade.
Optimizing fuel consumption in logistics	Implementation of Hybrid, BackHaul logistics projects contributing to the reduction of kilometers traveled.

The amount of greenhouse gas emission reductions resulting from the implementation of individual measures is not shown in this report, due to the lack of detailed technical data to reliably estimate this measure. In 2025, internal efforts will be made to collect more detailed data on ongoing and planned investments, which will allow better estimation of reduction effects in the future.

The investment activities undertaken required significant financial outlays, which are shown in the disclosures under Commission Delegated Regulation (EU) 2021/2178, activities 3.6, 7.3, 7.5 and 7.6 (Section 2.3).

In 2025, it is planned to continue modernization activities at the facilities, invest in its own renewable energy installations and implement projects in logistics.

The challenges in implementing decarbonization measures are financial aspects and market dynamics. On the other hand, failure to undertake them in the areas of buildings and transportation, which are the Companies' main assets, could jeopardize the achievement of greenhouse gas emission reduction targets (the so-called "emissions freeze").

As part of the reduction of Scope 3 emissions, which account for more than 90 percent of the Group's total generated emissions, we have taken steps to engage key suppliers in setting their own decarbonization targets, providing them with a *Code of Good Practice* that presents the Group's values.

Risks and opportunities associated with climate change

[SBM3] [IRO1]

Climate change issues are a significant issue for the Eurocash Group, as demonstrated by a double materiality analysis that assessed the impacts, risks and opportunities associated with this area.

Key impacts have been identified under the topic of climate change mitigation, these are greenhouse gas emissions and energy consumption. The risks and opportunities of these impacts are presented in *Table 8 Risks and Opportunities* in *Chapter 1.6*.

Eurocash Group's operations are associated with significant greenhouse gas emissions, which are generated throughout the value chain. Emissions from its own operations, i.e. Scope 1 and Scope 2, account for approx. 3% of the Group's total emissions, while the remaining approx. 97% are emissions generated upstream and downstream in the value chain, as a result of the type and scale of operations.

In 2023, Eurocash Group conducted an analysis of climate risks and opportunities based on two climate scenarios:

for temperatures below 2°C, which assumes that most of the Paris Agreement's goals will be achieved, consequently preventing the most extreme effects of climate change from occurring in the long term,

for a temperature of 4°C, which assumes that the effects of climate change will materialize as early as around 2030-2040.

Both scenarios were evaluated in the short term (until 2025), medium term (until 2030) and long term (until 2050).

The risks were categorized in accordance with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD), adopting a division into physical and transformational risks and determining their impact on the business - market, regulatory, reputational or technological.

Transformational risks *- risks related to regulatory and technological changes, as well as social or economic sentiment, which are associated with the transition to a low-carbon economy.*

Physical risks *- risks related to the physical effects of climate change. These refer to the direct effects of climate change on the environment, infrastructure or human health. These risks can have significant financial and economic impacts, affecting asset values, insurance availability and the ability of companies to operate effectively. They are divided into:*

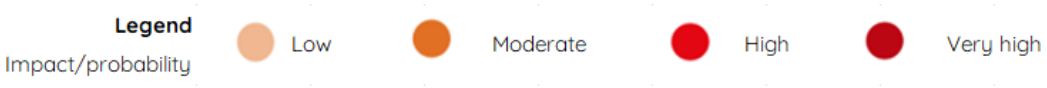
- *Sudden - such as heat waves, floods, fires, droughts and extreme weather events,*
- *Chronic - associated with rising global average temperature, sea level rise, loss of biodiversity.*

The assessment of climate risks was based on a list of 30 environmental risks and hazards that could affect Eurocash Group's operations, finances or reputation. For each risk, the probability of occurrence (on a scale of 1 to 5), materiality and possible consequences (on a scale of 1 to 5) were determined. As a result of the analysis, five risks with a financial impact were classified as the most significant for the Eurocash Group. Most of the risks with a high probability of occurrence by 2025 and 2030 overlap.

Table13. Assessment of climate risks

Risks		Management methodology	Impact	Short horizon		Medium horizon 2°C scenario		Medium horizon 4°C scenario	
				Impact	Probability	Impact	Probability	Impact	Probability
Physical	Risk of material loss or disruption of logistics processes due to sudden weather events. Extreme weather phenomena, such as intense storms or floods, occurring in countries from which the Eurocash Group imports products.	- Regular monitoring of weather events occurring in regions that are key from a value chain perspective. - Business Continuity Plan in case of sudden weather events. - Conducting business in warehouses that meet standards in accordance with Polish law. - Working with suppliers located in Poland, so that the most acute physical risks are not yet relevant.	Financial						
Transformational	The risk of increased consumer pressure to both share information on the origin of individual products and the associated environmental impact. Thus, the risk of increased costs of obtaining product data and reputational risk if the Group fails to communicate them or publishes damaging and unconfirmed information by third parties.	- Analysis of market trends, including changes in the area of consumer preferences. Gathering information on the origin of individual products. - Analyzing the possibility of introducing products with lower or neutral environmental impact. - Implementing a decarbonization strategy and setting reduction targets in accordance with SBTi. Plan to involve key Eurocash suppliers in the process of building a decarbonization policy and reducing Scope 3 CO2 emissions.	Image/ Financial						
Physical	The risk of increasing energy consumption and prices in the distribution and sales process. Rising temperatures, as a consequence of climate change, may	- Implementation of investments in the area of energy efficiency improvement. - Construction of own renewable energy generation sources. - Use of low-carbon energy	Financial						

Risks		Management methodology	Impact	Short horizon		Medium horizon 2°C scenario		Medium horizon 4°C scenario	
				Impact	Probability	Impact	Probability	Impact	Probability
	induce increased demand for energy used in operational facilities. The risk may materialize even in the short term.	source solutions (e.g. cPPAs).							
Physical	The risk of a prolonged drought could affect the limited availability of agricultural products. A decline in yields from agricultural production in regions relevant to the supply chain will translate into product availability and price. The risk materializes with varying intensity in many regions around the world, including Europe.	- Collaboration with various suppliers and diversification of the regions from which products are sourced. - A plan to engage suppliers in sustainable development activities, including climate change adaptation activities.	Financial						
Transformational	The risk of an increase in the cost of capital and the risk of higher borrowing costs if Eurocash SA is insufficiently rated in the ESG category by financial entities.	- Activities related to the implementation of the decarbonization strategy. - Preparation of a long-term CO_2 reduction plan with involvement of key suppliers. - Sustainability reporting, including information on progress in implementing CO_2 reductions.	Financial						



The process of assessing climate opportunities was carried out in the same way as in the case of assessing risks; market changes that may create opportunities for Eurocash S.A. and materialize in the short term were taken into account.

Opportunities were categorized in 5 areas: supporting corporate resilience, resource efficiency, market trends, and from the energy sources and products and services area. Of all the identified climate opportunities, 6 were selected that are most relevant to the Group and fit into its strategic pillars.

Table14. Climate Opportunities

Opportunities	TCFD Category	Factors enabling materialization and potential impact
Implementation of products with lower or neutral environmental impact	Products and services	Increased demand for pro-environmental products driven by changing purchasing trends and consumer preferences. Taking advantage of such an opportunity can translate into a reduction in Scope 3 CO_2 emissions and the adaptation of product offerings to new consumer demands.
Use of low-carbon energy solutions, such as cPPAs	Sources	With such measures, it is possible to lower costs and reduce exposure to future increases in coal energy prices and reduce high CO_2 emissions.

Reducing CO_2 emissions in transportation	Market	Eurocash Group S.A. can set emission standards for carriers - both in transport to end customers and in transport between distribution centers. Another solution is also the development of intermodal transport and low-emission solutions, as well as the implementation of sustainable transport methods.
Seeking suppliers that use sustainable practices and increasing the proportion of plant-based products on offer.	Products and services	Consumers are increasingly demanding the implementation of sustainable practices both at the organization level and in the supply chain. This is driving us to partner with new suppliers and implement new product offerings. Seizing this opportunity will allow us to meet consumer needs and create a market advantage.
Joint ESG activities	Market	Joint ESG activities can lead to improving our brand image and raising climate awareness. We plan to conduct educational workshops, undertake joint initiatives leading to the mitigation of risks and to reduce climate impacts.
Improving climate risk management	Resistance	Actions in this area will provide us with greater resilience and adaptability, as well as an increased ability to operate in different conditions. We anticipate that this will translate into a lower risk of financial loss and potentially lower insurance costs.

Despite the growing physical and transformational risks, climate change can also present opportunities for Eurocash Group S.A., and identifying and analyzing these opportunities can influence the organization's strategic development and enhance the resilience of its business strategy.

Energy consumption and energy mix

[E1-5]

Energy and fuel use in Group companies is related to the use of facilities (offices, stores, warehouses, distribution centers, loading centers) and transportation by vehicles (cars, vans and forklifts).

Total energy and fuel consumption in the Eurocash Group in 2024 was 339,930.28 MWh, including 337,000.72 MWh from non-renewable sources and 2,929.56 MWh from renewable sources.

Compared to 2023, total energy and fuel consumption decreased by 3.57%. This was primarily related to a decrease in natural gas and electricity consumption.

Electricity accounts for the largest share of consumption, covering 51.75% of total demand, intended to power installations and equipment in buildings (cooling, lighting, ventilation, air conditioning, charging batteries for carts and office equipment). The main energy carrier used for heating buildings is natural gas, accounting for 10.29% of total consumption, while the most popular fuel used in vehicles is diesel fuel with a 15.58% share.

Figure10. Structure of energy and fuel consumption in Eurocash Group in 2024

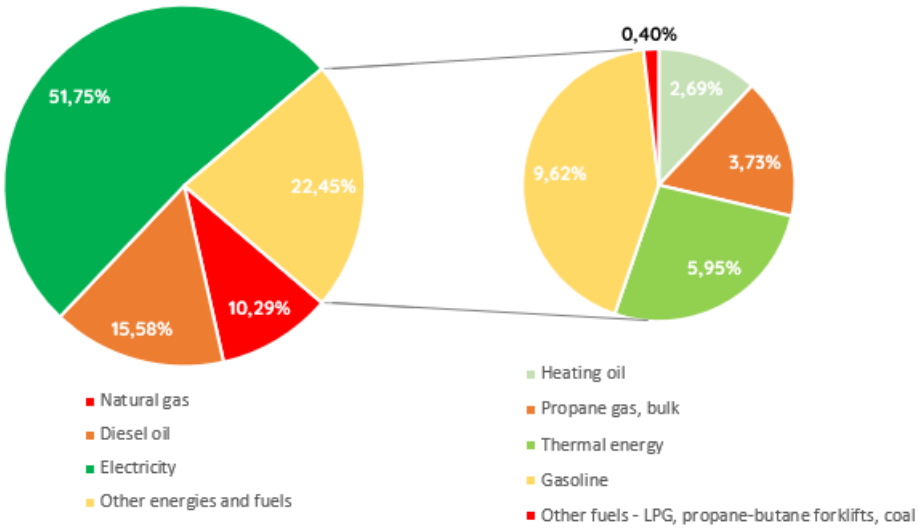


Figure 11. Structure of fuel consumption in transport of the Eurocash Group in 2024

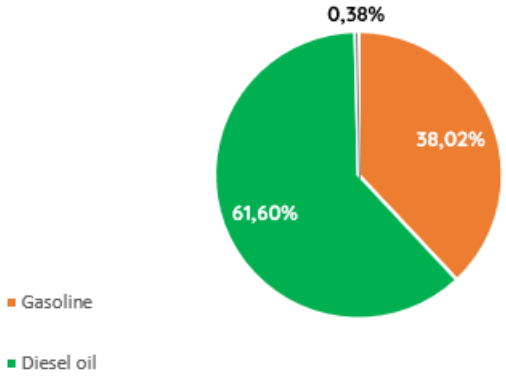


Figure 12. Structure of energy and fuel consumption in Eurocash Group buildings in 2024

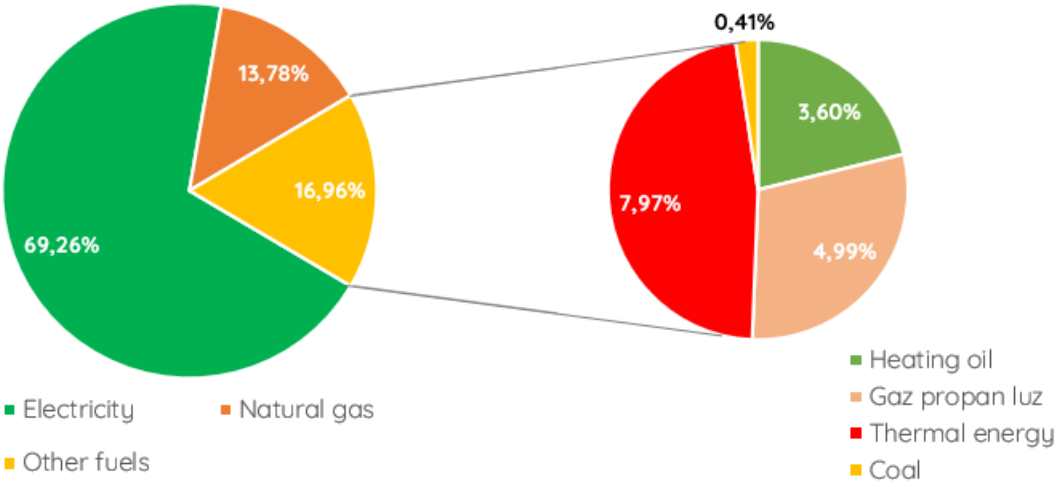


Table 15. Energy and fuel consumption

Energy and fuel consumption	Unit	2020	2023	2024	Y/Y change
Fuel consumption from coal and coal products	MWh	949,54	967,61	1 035,00	+6.96%
Fuel consumption from oil and petroleum products	MWh	110 192,32	103 401,68	107 775,44	+4.23%
Fuel consumption from natural gas	MWh	54 062,43	47 774,27	34 989,16	-26.76%
Fuel consumption from other fossil sources	MWh	0.00	0.00	0.00	-
Consumption of purchased or acquired electricity, heat, steam and cooling from fossil sources	MWh	234 991,76	200 385,87	193 201,11	-3.59%
Total energy consumption from fossil sources	MWh	400 196,05	352 529,43	337 000,72	-4.32%
Share of fossil sources in total energy consumption	%	100.00%	100.00%	99.13%	-0.87pc
Energy consumption from nuclear sources	MWh	0.00	0.00	0.00	-
Share of energy from nuclear sources in total energy consumption	%	0.00	0.00	0.00	-
Consumption of fuel from renewable sources, including biomass (also including industrial and municipal bio-waste, biogas, renewable hydrogen, etc.)	MWh	0.00	0.00	0.00	-
Consumption of purchased or acquired electricity, heat, steam and cooling from renewable sources	MWh	0.00	0.00	0.00	-
Consumption of renewable energy produced without fuel	MWh	No data available	No data available	2 929,56	Not applicable
Total renewable and low-carbon energy consumption	MWh	No data available	No data available	2 929,56	Not applicable
Total energy consumption from renewable sources	MWh	No data available	No data available	2 929,56	Not applicable
Share of renewable sources in total energy consumption	%	0.00	0.00	0,87%	+0.86p.p
Total energy consumption	MWh	400 196,05	352 529,43	339 930,28	-3.49%

Energy intensity per net revenue

The activities carried out by the companies within the Eurocash Group belong to sectors with significant climate impacts according to Section G of Annex No. 1 NACE Rev. 2 of *Commission Delegated Regulation (EU) 2022/1288*.

The energy intensity index per net revenue at the Eurocash Group level in 2024 was 10.54 MWh/1 million PLN, 2.86% lower than last year.

Table16. Energy intensity index based on net revenues

Energy intensity per net revenue	Unit	2023	2024	Y/Y change (%)
Total energy consumption of operations in sectors with significant climate impacts on net revenue.	MWh/1 million PLN	10.86	10.54	-2.86%

Greenhouse gas emissions

[E1-6]

Eurocash Group's greenhouse gas emissions are monitored in scopes 1, 2 and 3 from 2020.

The source of Scope 1 direct emissions is the combustion of fuels in stationary sources for heating, mobile sources, and the escape of refrigerants from air-conditioning and refrigeration equipment. Scope 2 indirect emissions are related to the purchase of electricity and heat for operating facilities. Scope 3 emissions accounting for the largest share of total emissions are other indirect emissions generated in the value chain.

Methodology, assumptions and data sources

Methodology: Emissions are calculated based on *Greenhouse Gas Protocol* methodology*:*

- Scope 1 and 2 in accordance with *The Greenhouse Gas Protocol Corporate Accounting and Reporting Standard Revised,*
- Scope 3 under the *Corporate Value Chain (Scope 3) Accounting and Reporting Standard,*

and in accordance with the guidelines of the European Sustainability Reporting Standards (ESRS).

Organizational boundaries of emissions reporting: calculations include the parent company - Eurocash S.A. – and the Group companies. The parent company accounts for 100% of the greenhouse gas emissions of the companies included in the consolidated financial statements.

Operational limits of emissions reporting: calculations include Scope 1, 2 and 3.

Base year: 2020, the year chosen by the Eurocash Group as the base year for its decarbonization target.

Main sources of emission indicator data:

- National Center for Balancing and Managing Emissions, KOBiZE 2023,
- Central register of operators, CRO,
- Department for Environment, Food and Rural Affairs of the United Kingdom of Great Britain and Ireland, Defra 2024,
- EXIOBASE.

Changes made compared to previous years:

- Emissions reporting organizational boundaries have been changed. Previously, emission reporting boundaries were based on operational control, in view of the ESRS guidance on the approach to setting organizational boundaries for emission reporting based on the entity's financial reporting control, changes were made to include emissions from Bands 1, 2 and 3 for all consolidated entities covered by the financial statements, resulting in the need to recalculate emissions in previous years.
- The number of categories reported under Scope 3 was reduced. The analysis identified 6 significant categories of indirect emissions in the Eurocash Group's supply chain, representing a total of 99.22% of the average of total Scope 3 emissions in previous years.

Scope 1 and 2 emissions

Scope 1 and 2 emissions (market-based method) in 2024 amounted to 146,482.06 tCO2e, representing 3.10% of Eurocash Group's total emissions with a 5.35% reduction from 2023 and 33.8% from the 2020 baseline.

Scope 1 and 2 emissions calculations were based on the amount of energy, fuel and refrigerant losses used by the Eurocash Group companies.

Under Scope 1:

- The amount of energy carriers and fuels consumed in stationary sources for heating, mobile sources (cars, forklifts) and generators: coal, fuel oil, natural gas, propane gas, PB, ON, LPG,
- The amount of refrigerant loss from air conditioning and refrigeration equipment.

Under Scope 2:

- The amount of electricity purchased,
- The amount of heat purchased.

For Scope 2, calculations of indirect emissions related to the purchase of electricity from the electricity grid were made using the location-based and market-based methods. Calculations made according to the location-based method were based on the use of the average emission factor for the country published by the NOBIZE, while for the market-based method, emissions were calculated using the rates of electricity suppliers to the Eurocash Group.

Scope 3 emissions

Scope 3 emissions in 2024 amounted to 4,577,403.28 tCO2e, representing 96.90% of the Eurocash Group's total emissions with a 7.94% reduction from 2023 and a 16.44% reduction from the 2020 baseline.

Category 1: Purchase of goods and services: For emissions related to purchased goods, calculations were made on the basis of data on goods sold (excluding Intercompany sales) which accounts for about 86% of the share of total emissions [tCO2] in 2024. The mass volume of materials used was converted to emissions using emission factors from the DEFRA 2024 database, or, in the absence of these, from scientific studies.

Calculations of emissions related to purchased services were based on the collected data on services and the costs incurred on them assigned to each group. Estimates were made using the averaged data method using emission factors from Exiobase.

Category 3. emissions related to energy and fuels not included in Scope 1 and 2: Calculations were made based on Eurocash Group fuel and energy consumption data and emission factors from the DEFRA database.The analysis includes Well-To-Tank emissions for fossil fuels and emissions related to electricity transmission and distribution losses.

Category 4 Upstream transportation and distribution: the calculations included emissions related to transportation and distribution of goods in the Eurocash Group's supply chain, as well as courier, postal and transportation services. Road transport was included in the analysis using data on the volume of goods transported and average emission factors from DEFRA 2024 and Exiobase. In the absence of accurate distance data, an estimated data method was used. Also included in the calculations were transport-related Well-To-Tank emissions depending on the gross vehicle weight rating.

Category 5 Waste generated from operations: Calculations were made on the basis of data on the amount of waste generated at Eurocash Group companies. Emission factors from the DEFRA 2024 database were used to calculate emissions.

Category 7. Employees' commute to work: Calculations were made using data on the distance traveled by employees on employee buses and in their own cars. For bus transportation, the average number of passengers and the distance traveled per year were taken into account. For cars, the average rate of distance traveled was used. Emission factors available in the DEFRA 2024 database were used, along with Well-to-Tank indicators.

Category 14 Franchising: calculations of emissions related to franchise operations not included in Scope 1 and 2 were based on estimates of the amount of energy utilities consumed in franchise stores, which account for the largest share of total emissions generated during operation of this type of facility. Estimates were made based on data on the retail space of the stores and the average utility consumption rates per m^2 of space (calculated based on the data of proprietary stores), using the emission factors for a given energy carrier.

Table 17. Gross Scope 1, 2 and 3 greenhouse gas emissions and total greenhouse gas emissions of the Eurocash Group in 2024

Category name	Unit	Base year (2020)	Comparative year (2023)	Reporting year (2024)	Y/Y change (%)
Scope 1 greenhouse gas emissions					
Scope 1 gross greenhouse gas emissions	tCO2e	47 842,68	46 883,07	46 556,06	-0.70%
Percentage of Scope 1 greenhouse gas emissions from regulated emissions trading schemes	%	0.00	0.00	0.00	0.00%
Scope 2 greenhouse gas emissions					
Gross Scope 2 greenhouse gas emissions by location-based method	tCO2e	144 411,02	121 970,07	100 459,10	-17.64%
Gross Scope 2 greenhouse gas emissions by market-based method	tCO2e	173 406,47	107 883,11	99 926,01	-7.38%
Significant Scope 3 greenhouse gas emissions					
Total indirect Scope 3 greenhouse gas emissions	tCO2e	5 478 145,72	4 972 328,70	4 577 403,28	-7.94%
1. purchased goods and services	tCO2e	4 774 810,89	4 434 583,50	4 042 069,76	-8.85%
1.a. Purchased Goods	tCO2e	4 712 889,21	4 391 844,15	3 967 183,82	-9.67%
1.b. Purchased services	tCO2e	61 921,70	42 739,40	74 885,94	+75.22%
3. fuel and energy activities (not included in scope 1 or 2)	tCO2e	31 244,73	41 083,50	38 624,59	-5.99%
4. upstream transportation and distribution	tCO2e	82 356,30	86 909,60	62 764,38	-27.78%
5. waste resulting from activities	tCO2e	3 561,40	4 116,90	6 588,57	+60.04%
7. employee commute	tCO2e	64 826,00	40 979,40	30 290,24	-26.08%
14. franchises	tCO2e	474 755,70	329 871,10	397 065,74	+20.37%
Total greenhouse gas emissions					
Total greenhouse gas emissions (location-based method)	tCO2e	5 670 399,42	5 141 181,84	4 724 418,43	-8.11%
Total greenhouse gas emissions (market-based method)	tCO2e	5 699 394,88	5 127 094,88	4 723 885,34	-7.86%

Figure 13. Factors of changes in greenhouse gas emissions in scope 1 and 2 market-based approach in 2024/2023.

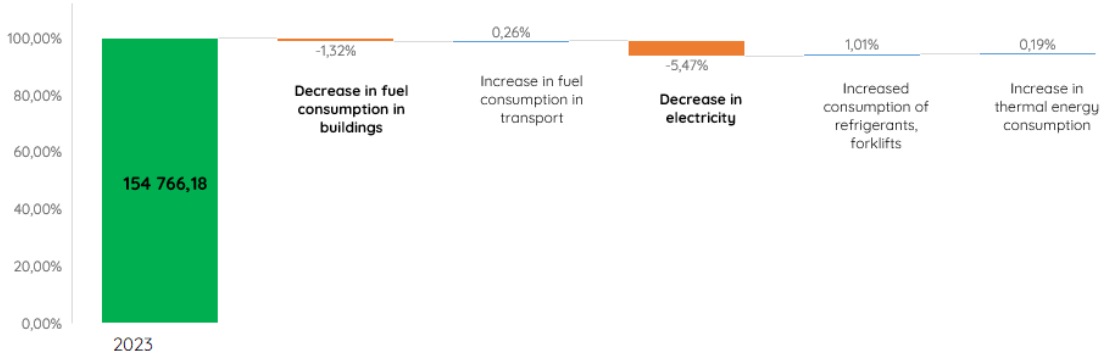


Figure 14. Share of Scope 1, 2 and 3 greenhouse gas emissions in 2024

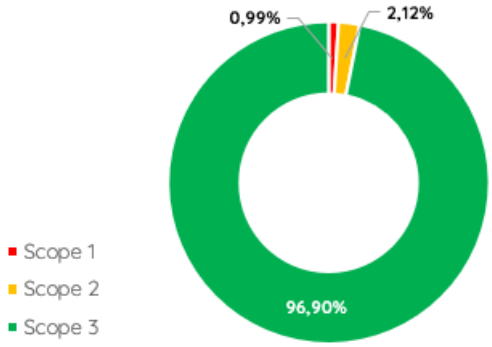


Figure 15. Share of Scope 1, 2 greenhouse gas emissions in 2024

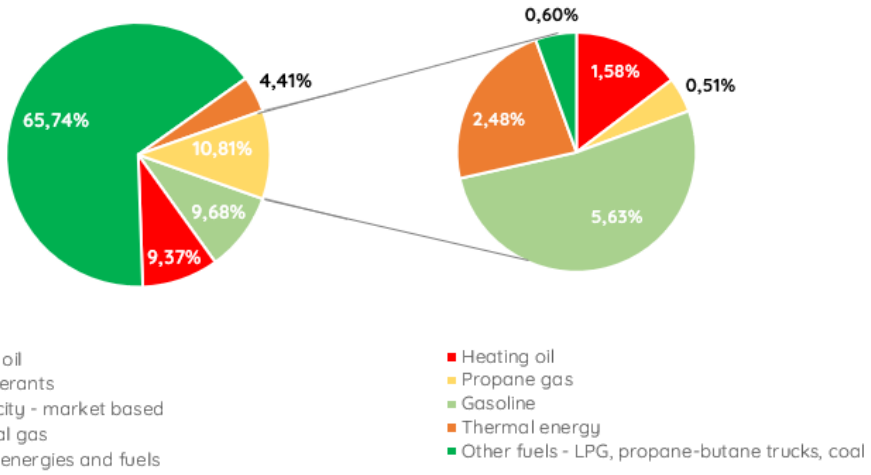


Figure 16. Share of Scope 3 greenhouse gas emissions in 2024

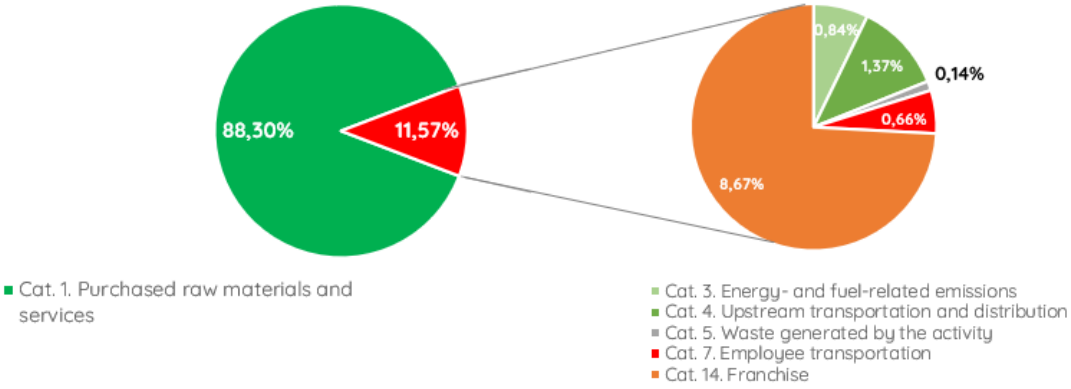
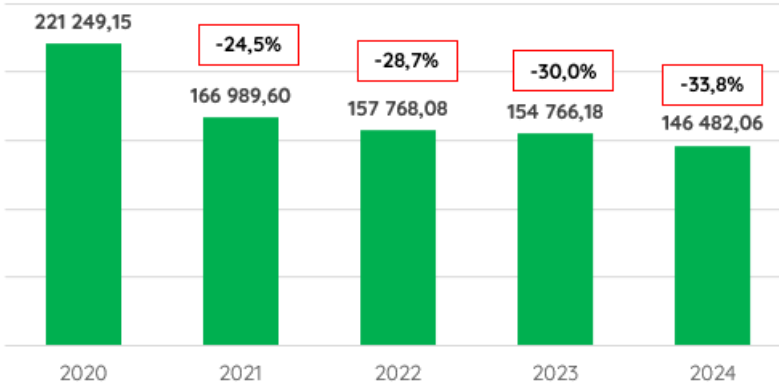


Table 18. Eurocash Group greenhouse gas emissions over the period 2020-2024

	Unit	2020	2021	2022	2023	2024
Scope 1 greenhouse gas emissions	(tCO2e)	47 842,68	48 799,50	48 784,29	46 883,07	46 556,06
Scope 2 location-based greenhouse gas emissions	(tCO2e)	144 411,02	140 804,82	136 786,07	121 970,07	100 459,10
Scope 2 market-based greenhouse gas emissions	(tCO2e)	173 406,47	118 190,10	108 983,79	107 883,11	99 926,01
Total greenhouse gas emissions 1+2 (location-based)	(tCO2e)	192 253,70	189 604,32	185 570,36	168 853,14	147 015,15
Total greenhouse gas emissions 1+2 (market-based)	(tCO2e)	221 249,15	166 989,60	157 768,08	154 766,18	146 482,06
Scope 3 greenhouse gas emissions	(tCO2e)	5 478 145,72	5 443 889,30	5 545 869,66	4 972 328,75	4 577 403,28

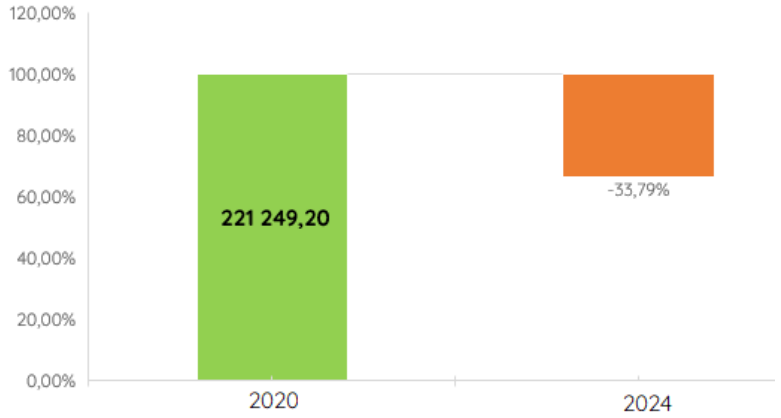
Figure 17. Scope 1,2 CO2 emission reductions



Relative to the 2020 base year, the reported period noted:

- Reduction in Scope 1 emissions by 1,286.63 tCO2e,
- Reduction in Scope 2 emissions by 73,480.46 tCO2e,
- Reduction in Scope 3 emissions by 900,742.45 tCO2e.

Figure18. Change in emissions in 2024 compared to the base year 2020



The reduction in CO_2 emissions compared to the base year 2020 was **33.8%.**

Greenhouse gas emissions and decarbonization targets established under SBTi

The table below shows the amount of GHG emissions in the base year, the reductions achieved in the reporting year, and the decarbonization targets for 2027 and 2030 established under the SBTi initiative.

Table19. GHG emissions and progress towards SBTi decarbonization targets

Target	Unit	Base year 2020	Report year 2024	2027	Target year 2030
Scope 1 and 2 greenhouse gas emissions					
Scope 1 and 2 greenhouse gas emissions (gross emissions by market-based method)	tCO2e	189 403	153 265	-	99 058
Greenhouse gas emission reductions in scope 1 and 2 (gross emissions by market-based method)	%	-	34.1	-	47.7
Scope 3 greenhouse gas emissions					
Commitment of key suppliers to set their own decarbonization targets	number	-	21	35	35

* As part of the SBTi initiative, calculated Scope 1 and 2 greenhouse gas emissions and established decarbonization targets for entities over which the Eurocash Group had operational control at the time, i.e.: Eurocash S.A.; Eurocash Serwis sp. z o.o.; AMBRA sp. z o.o.; Polska Dystrybucja Alkoholi sp. z o.o.; Eurocash Franczyza sp. z o.o.; Lewiatan Podkarpacie sp. z o.o.; Lewiatan Północ sp. z o.o.; Lewiatan Kujawy sp. z o.o.; Lewiatan Wielkopolska sp. z o.o.; Lewiatan Opole sp. z o.o.; Lewiatan Orbita sp. z o.o.; Lewiatan Zachód sp. z o.o.; Lewiatan Podlasie sp. z o.o.; Lewiatan Śląsk sp. z o.o.; Euro Sklep sp. z o.o.; Partnerski Sklep Detaliczny SA; Eurocash Sieci Partnerskie sp. z o.o.; Delikatesy Centrum sp. z o.o.; Podlaskie Delikatesy Centrum sp. z o.o.; Kontigo sp. z o.o.; Duży Ben sp. z o.o.; abc na kołach sp. z o.o.; Innowacyjna Platforma Handlu sp. z o.o.; Detal Finanse sp. z o.o.; Akademia Umiejętności Eurocash sp. z o.o, Partner sp. z o.o.. The following companies are not included: Lewiatan Holding S.A.; Firma Rogala Sp. z o.o.; Inmedio Sp. z o.o.; Arhelan Sp. z o.o.

Greenhouse gas emission intensity level

The Group's net revenues as reported in its financial statements were used to assess the level of issue intensity, which amounted to PLN 32,451 million in 2023 and PLN 32,241 million in 2024.

The GHG emission rate (by location-based method) per net revenue at the Eurocash Group level in 2024 was 146.53 tCO2e/PLN 1 million, 7.51% lower than last year, and the GHG emission rate (by market-based method) per net revenue at the Eurocash Group level in 2024 was 146.52 tCO2e/PLN 1 million, 7.26% lower than last year.

Table 20. Greenhouse gas emission intensity index

Intensity of greenhouse gas emissions per net revenue	2023	2024	Y/Y change (%)
Total greenhouse gas emissions (by location-based method) per net revenue (tCO2 equivalent/PLN 1 million)	158,42	146,53	-7,51%
Total greenhouse gas emissions (according to the market-based method) per net revenue (tCO2 equivalent/PLN 1 million)	157,99	146,52	-7,26%

[E1-7]

In 2024, the Eurocash Group did not pursue the purchase of offset units or Carbon Credits.

[E1-8]

The entity does not use an internal system for determining greenhouse gas emission fees in processes related to managing climate change-related impacts.

2.2. Biodiversity

[SBM-3]

In our *Sustainable Development Policy*, we have committed to respecting environmental values, including the responsible use of natural resources.

The group does not list locations with its own operations that have a significant negative impact on biodiversity. The facilities are not located in or near areas that are sensitive in terms of biodiversity. We have not identified any significant negative impacts in relation to land degradation, desertification or soil sealing. In the vicinity of some warehouses and distribution centers, there is an increase in the bird population - mainly the house sparrow (*Passer domesticus* - a strictly protected species) and the city pigeon (*Columba livia forma urbana* - a partially protected species). Due to the sanitary risk, trapping is carried out at these locations. All activities in this respect are based on permits from the Regional Director for Environmental Protection and under ornithological supervision.

[IRO-1]

The double materiality analysis identified potential impacts on biodiversity and ecosystems at our own locations and in the upstream and downstream value chain. The assessment took into account:

- direct factors affecting biodiversity loss,
- impact on species status,
- impact on range and status of ecosystems,
- impact on ecosystem services and dependencies on them.

The following impacts were identified as significant:

- acquisition and use of critical raw materials, including those related to the risk of deforestation and land degradation,
- implementation of EUDR requirements.

The Group has identified and assessed the transition risks and opportunities as well as the physical risks and opportunities related to biodiversity and ecosystems, including the application of assessment criteria based on its impacts and dependencies, demonstrating:

- possible risks: financial penalties in case of compliance with new deforestation regulations and reputational risk, which may increase in the long term,
- possible opportunities: building cooperation relationships with suppliers and customers.

The Group has not consulted with affected communities on the sustainability of shared biological resources and ecosystems, nor has it verified suppliers in this respect. No scenario analysis has been conducted on biodiversity and ecosystems.

The facilities used for the activities are not located in or near biodiversity-sensitive areas, and the activities related to these locations do not negatively affect these areas or lead to the deterioration of natural habitats and habitats of species or to the disturbance of species for which a protected area has been designated[1].

[1] as defined in Directive 2009/147/EC of the European Parliament and of the Council on the conservation of wild birds; Council Directive 92/43/EEC on the conservation of natural habitats and of wild fauna and flora; environmental impact assessment (EIA) as defined in Article 1(2)(g) 2(g) of Directive 2011/92/EU(76) of the European Parliament and of the Council on the assessment of the

[E4-1]

The Eurocash Group has not assessed the resilience of its strategy and business model to risks related to biodiversity and ecosystems.

Issues concerning critical raw materials are addressed in the sustainability strategy, in the fourth pillar: sustainable product - origin and consumption of resources. The implementation of a purchasing policy for critical raw materials for products is planned as a strategic goal by 2030. The full identification of critical raw materials for products in the Eurocash Group is planned by mid-2025. At the same time, the EUDR requirements for products related to deforestation (including cocoa, coffee, soy, palm oil, etc.) will be implemented.

[E4-2]

The entity has not adopted a policy to protect biodiversity and ecosystems covering operational locations owned, leased, or managed in or near a biodiversity-sensitive area. Sustainable land and agricultural practices are generally covered by the *Code of Good Practice for Suppliers* and *Good Sustainability Practices in the Eurocash Group*. The Group has adopted sustainable ocean and sea practices only within the warehouses of the catering business unit, where certified standards regulating the distribution of fish and seafood from sustainable fisheries (MSC) and responsible farming (ASC) have been implemented. In 2025, we will take action in the area of adopting policies to combat deforestation.

[E4-3]

The Group did not include in its plans activities to compensate for the loss of biodiversity.

[E4-4]

Based on the implemented purchasing policy for critical raw materials, further goals and actions will be set.

[E4-5]

No locations in or near biodiversity-sensitive areas have been identified. We also have no direct impact on changes in land use, fresh water or seas.

[E4-6]

Based on the assessment of the double materiality for the impact of procuring products associated with the risk of deforestation and land degradation, qualitative financial impacts were determined:

- a risk that may significantly affect the Group's ability to achieve its goals,
- an opportunity that may moderately affect the Group's ability to achieve its goals

and described taking into account the effects, impacts and dependencies:

- possible risks: financial penalties in case of non-compliance with new deforestation regulations and reputational risk, which may increase in the long term,
- possible opportunities: building cooperative relationships with suppliers and customers.

The expected financial impact and the sources and level of uncertainty associated with these assumptions have not been quantified.

effects of certain public and private projects on the environment, and, with regard to activities in third countries, in accordance with equivalent national regulations or international standards, such as the MKF No. 6 performance measurement standard: biodiversity conservation and sustainable management of living natural resources.

2.3. Resource utilization and the circular economy

[SBM-3] [E5-1]

Aware of its impact on the environment, as part of its sustainability policy, the Eurocash Group is committed to the rational use of natural resources, prevention of environmental pollution, including waste reduction and prevention of food waste. In addition, the relevance of the issue of resource use and circular economy is indicated by the Group's *Code of Good Practices for Suppliers* and *the Eurocash Group's Good Sustainability Practices*. A dedicated circular economy policy will be implemented in 2025.

[E5-3]

The Group has set its voluntary goals in this area as part of the pillars of its "Together for Sustainable Development" strategy.

- "Responsible Distributor" pillar:
    - building a logistics network to collect packaging and packaging waste from the Group's individual stores and its customers (priority objective).

Sustainable Product" pillar:

- reducing the level of food waste by:
    - cyclically conducting respect not waste campaigns,
    - Inclusion of business partners (franchisees - more than 10 stores and top suppliers) in the “Szanujemy – nie marnujemy” program to monitor the food waste rate.

[IRO-1]

As a result of the dual materiality analysis, positive and negative, actual and potential impacts were identified in terms of the circular economy in its own locations and upstream and downstream in the value chain. The assessment took into account:

- resource impact, including resource utilization,
- resource outflows related to products and services,
- waste.

The following were identified as significant:

- production of private label product packaging,
- recovery of materials from sold products and their packaging,
- pallet pooling,
- waste generation,
- waste segregation,
- counteracting food waste - “Szanujemy – nie marnujemy” campaign,
- education of franchisees on SUP regulations and the deposit system,
- supporting franchisees in implementing the deposit system.

[E5-6]

The Group identified and evaluated transition and physical risks and opportunities related to resource utilization and the circular economy, including the application of evaluation criteria based on its influences and dependencies showing:

- possible risks:
  - lack of or limited access to raw materials for private label packaging,
  - increased costs of:
    - waste management, including due to the lack or improper segregation of recyclables,
    - packaging and thus final private label products, which translates into profitability,
    - fees for the recovery organization to take over the obligation to carry out the recovery and recycling of packaging waste,
  - image - lack of understanding and negative reaction from the audience (customers),
  - unforeseen legal changes that may affect the campaign,
  - loss of customers due to lack of profitability (estimate 30% of small-format stores), a significant decrease in turnover and profits - in the case of a bail system,
  - financial penalties due to:
    - failure to comply with regulatory requirements for packaging (e.g., rPET)
    - failure to achieve adequate levels of recovery and recycling of packaging waste,
    - improper waste handling,
- possible opportunities:
  - use of alternative forms of packaging,
  - an increase in revenue from the sale of recyclable materials and recycling documents,
  - reducing the cost of contracts with recovery organizations to take over packaging recovery obligations,
  - image, including improving relationships and cooperation with franchisees,
  - building a competitive advantage for customers - increasing turnover and profits.

The anticipated qualitative financial impact from the identified risks was determined as likely to significantly affect the Group's ability to achieve its goals. Opportunities, on the other hand, are likely to have a largely positive impact on the Group's ability to achieve its goals.

The Group did not consult with affected communities on resource use and the circular economy. The area was covered in stakeholder surveys. Waste management is verified during supplier audits.

[E5-2]

Actions taken on resource utilization and the circular economy.

Deposit system

Eurocash Group is actively involved in the glass bottle trade.

The Eurocash Group deposit system working team, established in 2023, continued to work on developing the most optimal solution for implementing the system in its units and franchisees. As part of the activities:

- the structures of the networks belonging to the Eurocash Group were analyzed in terms of the possibility of implementing various solutions related to the collection of packaging and packaging waste in the deposit system,
- based on the analyses, the costs of introducing the deposit system were estimated on a store-by-store basis,
- negotiations were undertaken with suppliers of hardware and software to operate the deposit system (bottle machines, scanners, POS),
- tests were conducted in 66 stores (in 4 provinces) - the tests included operation of the deposit system using 23 automatic collection devices (bottle machines) and 43 manual collection devices (scanners, POS systems),
- discussions have been held with deposit system operators to establish cooperation and negotiate the most favorable terms.

At the same time, the deposit system working team actively participated in the review and drafting of the draft amendments to the so-called deposit act, and also conducted educational activities. In terms of educating franchisees on the deposit system issues, the following activities were undertaken:

- periodic meetings with franchisees were held (webinars, Q&A meetings, training sessions),
- information materials have been prepared for franchisees, which are made available through the network's communication channels, as well as on the Eurocash Skills Academy platform,
- training on the operation of the deposit system was developed and implemented for the Group's operational staff.

Educational content is being updated on an ongoing basis. All activities in preparation for the implementation of the deposit system will continue in 2025.

Tackling food waste

Eurocash Group sees the prevention of food waste as one of its main responsibilities arising from the nature of its business. In its operational activities, the Group aims to reduce the food waste rate. At the various stages of distribution, these are primarily:

- order planning - analyzing sales data, seasonality, shelf life of products and working with local suppliers,
- receipt of products - control of transport conditions and product quality,
- storage and display - ensuring proper storage conditions, the FEFO principle or management of vegetable, fruit and bread zones.

Table 21. Food wasted and saved in 2023 and 2024

	2024		2023	
	Relative to weight [%].	Relative to value [%].	Relative to weight [%].	Relative to value [%].
Wastage rate	0,39	0,42	0,33	0,38
Rate of saved food	7,37	11,95	9,17	6,70
Ratio of food donated to food sold	0,03	0,06	0,03	0,03

Eurocash Group, in cooperation with Caritas Poland and the Federation of Polish Food Banks, is organizing a socio-educational campaign under the slogan "Szanujemy, nie marnujemy!" (We respect, not waste). Its aim is to educate customers - grocery store entrepreneurs – about counteracting food waste in trade, as well as to spread awareness among consumers. Eurocash Group networks are involved in the project. The fourth edition was conducted in 2024.

The "Szanujemy, nie marnujemy!" campaign aims to equip entrepreneurs - owners of independent retail stores – with educational tools such as webinars, podcasts and articles to support store management, in order to:

- reduce food waste, which at the same time will generate financial savings,
- support consumers in rational purchase planning and educate about the principles of proper food storage,
- take care of your store's image issues, responding to the needs of customers who are paying increasing attention to the issue of not wasting food and "zero waste" in general,
- carry out the statutory obligation, using the full educational package on the subject, available on the campaign website.

Educational materials can be found on the campaign website. Entrepreneurs, can participate in webinars developed by experts from the Eurocash Skills Academy and representatives of NGOs, on current legislation.

Partnerships for non-waste

The Eurocash Group cooperates with 93 NGOs in donating food to the needy. In 2024, the Group donated a total of more than 440 Mg of food through them.

Table 22. Food donated by Eurocash Group in 2024

Organization	Weight [kg].	Value [PLN].
Polish Social Welfare Committee	199 295,11	3 909 727,01
Caritas Poland	67 441,33	669 810,58
Humanitarian Action "Życie"	26 813,42	24 5576,47
Teen Challenge	25 289,14	222 233,98
St. Brother Albert's Aid Society	12 270,92	120 518,74
Food Banks	6 256,40	54 005,88
Other entities	105 074,273	1 164 017,9
Final total	**442 440,59**	**6 385 890,56**

Including Eurocash S.A. 236,422.84 kg (PLN 2,396,851.86) Delikatesy Centrum sp. z o.o. 8,095.69 kg (PLN 94,933), Frisco S.A. 197,922.05 (PLN 3,894,104.80). Food does not come from food collections.

Green infrastructure

Since 2017, the Eurocash Group has been consistently implementing green changes in its offices, as confirmed by the Green Office certificate awarded by the Foundation for Environmental Education. Currently, locations in Warsaw, Błonie, Komorniki and Lublin hold the certificate. Behind the certification standard is the idea of bringing ecology into business every day, that is, closing each workday with the least possible use of natural resources and with the least possible impact on the environment.

In the context of the implementation of the Green Office standard, cyclical workshop webinars are held in the “THINK GREEN" series - Think green and take care of the planet! These events are designed to educate and promote sustainable practices among employees.

[E5-4] Introduced resources

The resources introduced into the Eurocash Group include products used in its operations, including IT equipment, office supplies, protective clothing, forklifts, cars and trucks and others, as well as technical materials, including primarily packaging materials: cardboard, plastics (stretch film), pallets. During the reporting period, the Group did not introduce or use biological materials in its operations. The Group did not analyze the masses of products used.

The total weight of packaging materials used at the sites was: 91,371 Mg. The weight in absolute value of secondary materials used in the provision of services by the unit (including packaging) amounted to: 88,598 Mg.

Since 2022, Eurocash Group has been cooperating with CHEP, the world's largest pallet supplier, in a pooling model. Trucks delivering goods to the Group's customers can simultaneously pick up empty pallets from the store - both those released from under the goods after previous deliveries and those that arrived at a given location through a channel other than through Eurocash. All this happens in a single course, which means rational optimization of resources - fewer kilometers traveled, less fuel consumption, fewer CO_2 emissions and fewer trees cut down to produce new pallets. For its cooperation in 2024, Eurocash S.A. was again awarded the Certificate of Sustainability by CHEP Poland, highlighting the company's active commitment to environmental protection and creating a sustainable supply chain.

In addition, in an effort to eliminate single-use packaging such as cardboard boxes, Eurocash Group has equipped distribution centers and warehouses with plastic boxes, which are used for picking general cargo. After cleaning and disinfection, the boxes are returned to circulation and reused.

[E5-5] Discharged resources

Packaging of private label products

The Eurocash Group is responsible for marketing the packaginǵ that contains the products of the Group's own brands. This packaging is recyclable, with the Group not verifying at what percentage. Each year, the company is required to maintain certain levels of recycling and recovery of individual types of packaginǵ. This obligation is carried out through packaging recovery organizationś. In 2024, the Eurocash Group, along with private label packaging, introduced 19,137.91 tons of non-renewable materials (including plastics, glass, metal) and 9,051.03 tons of renewable raw materials (including paper, wood). At the same time, about 56.36 percent of the introduced packaging was recovered.

Table 23. Materials used for packaging of private label products by weight [Mg].

	Type of material	Product packaging weight
Non-renewable raw materials used	Plastics	5 343,52
	Glass	1 0132,69
	Metal	3 270,12
	Other non-renewable raw materials	391,58

	Total	**19 137,91**
Renewable raw materials used	Paper and cardboard	6 616,69
	Wood	607,03
	Other raw materials	1 827,31
	Total	**9 051,03**
Total materials used		**28 188,94**

Table 24. Percentage of recovered materials from sold products and their packaging by material category[2] in 2024

Material category	2024
Plastic	45%
Paper and cardboard	73%
Glass	67%
Metal (including steel and aluminum)	58%
Wood	23%
Other raw materials	59%
Total	**56%**

[MDR-M]

The data comes from calculations of the statutory obligation to implement recycling of packaging waste. All companies under the obligation cooperate with a packaging recovery organization in this regard. Packaging data are obtained from Product Packaging Cards. In case there is no card completed by the supplier for a given product, values obtained for a similar product are assumed.

Waste

The Eurocash Group generated a total of 27,282.92 tons of waste in 2024, including 81.89 tons of hazardous waste. These are mainly municipal waste, packaging waste - waste paper and film, and food waste. The Group does not generate radioactive waste. All waste is collected ¸selectively. Municipal waste is segregated into fractions - paper, plastic and metal, glass, bio and mixed waste. Collection of the Group's waste is handled exclusively by authorized companies, and collection of waste other than municipal waste is confirmed each time in the system of the Database of Products and Packaging and Management of Waste (BDO). Cooperation is regulated by contracts and, in the case of municipal waste, also by municipal declarations. All waste, except municipal waste and animal by-products (UPPZ), is recorded through BDO. Municipal waste collections are verified on an ongoing basis when invoices are settled (via Jobrouter, among other applications) and municipal declarations. Receipts of animal waste are verified through commercial documents. On the basis of BDO's waste records, waste management reports are submitted annually to the Marshal's Offices.

Waste management in the Group is governed by waste management procedures and guidelines for the collection of waste paper and film from Eurocash Group units. The waste management process is supervised by the Environmental Protection Department.

[2] The mass of packaging introduced with private label was indicated as products sold, and the masses of packaging recovered under agreements to assume the obligation to recycle packaging waste were indicated as “products and their recovered packaging”.

Table 25. Waste generated, diverted for recovery and disposal in 2024 [Mg]

Waste generated by category											
	Waste generated	Total weight of waste generated (in Mg)	Total mass of waste not directed for disposal (in Mg)	Recycling	Other types of recovery	Prepara-tion for reuse	Total weight of waste directed for disposal (in Mg)	Combustion (with energy recovery)	Storage	Total weight of waste not recycled (in Mg)	Percentage of waste not recycled (%)
Hazardous	All hazardous waste (total)	81.89	81.89	50.53	31.36	0.00	0.00	0.00	0.00	31.36	38.30
	Total (hazardous waste)	**81.89**	**81.89**	**50.53**	**31.36**	**0.00**	**0.00**	**0.00**	**0.00**	**31.36**	**38.30**
Non-hazardous	**All municipal waste (total, regardless of fractions)**	**10 299.95**	**4 146.76**	**2 772.75**	**1 374.01**	**0.00**	**6 153.19**	**2 164.02**	**3 989.17**	**7 527.20**	**73.08**
	Mixed municipal waste (not segragated)	9 220.35	3712.11	2482.12	1 230.00	0.00	5 508.24	1 937.20	3 571.04	6 738.23	73.08
	Segregated municipal waste (paper)	1 10.98	44.68	29.88	14.80	0.00	66.30	23.32	42.98	81.10	73.08
	Segregated municipal waste (plastics)	49.33	19.86	13.28	6.58	0.00	29.47	10.37	19.11	36.05	73.08
	Segregated municipal waste (glass)	230.13	92.65	61.95	30.70	0.00	137.48	48.35	89.13	168.18	73.08
	Segregated municipal waste (BIO)	689.15	277.45	185.52	91.93	0.00	411.70	144.79	266.91	503.63	73.08
	All packaging waste	**13 809.66**	**13 809.66**	**12 429.95**	**1 379.71**	**0.00**	**0.00**	**0.00**	**0.00**	**1 379.71**	**9.99**
	15 01 01 Paper and cardboard packaging	11 570.10	11 570.10	10 413.09	1157.01	0.00	0.00	0.00	0.00	1 157.01	10.00
	15 01 02 Plastic packaging	2 146.77	2 146.77	1 932.09	214.68	0.00	0.00	0.00	0.00	214.68	10.00
	15 01 03 Wood packaging	80.23	80.23	72.21	8.02	0.00	0.00	0.00	0.00	8.02	10.00
	15 01 04 Metal packaging	0.09	0.09	0.09	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	15 01 07 Glass packaging	12.48	12.48	12.48	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	All food waste	**3 022.55**	**3 022.55**	**2 362.74**	**659.80**	**0.00**	**0.00**	**0.00**	**0.00**	**659.80**	**21.83**
	16 03 80 Food products that are out of date or unfit for consumption	1 629.22	1 629.22	1 498.88	130.34	0.00	0.00	0.00	0.00	130.34	8.00
	Animal by-products	1 393.33	1 393.33	863.86	529.46	0.00	0.00	0.00	0.00	529.46	38.00
	Other	**68.87**	**61.93**	**53.99**	**7.95**	**0.00**	**6.94**	**0.00**	**0.00**	**14.89**	**21.62**
	Non-hazardous waste - Total	**27 201.03**	**21 040.90**	17 619.43	3 421.47	0.00	**6 160.13**	2 164.02	3 989.17	9 581.60	35.23
	Total waste	**27 282.92**	**21 122.79**	17 669.96	3 452.83	0.00	**6 160.13**	2 164.02	3 989.17	9 612.96	35.23

2.4. Taxonomy

In this report, the Eurocash Group discloses, for the fourth time, information on the compliance of its operations with the EU Taxonomy. Obligations related to this were introduced by Parliament and Council Regulation (EU) 2020/852 of June 18, 2020 on establishing a framework to facilitate sustainable investments.

The established classification system made it possible to examine and disclose the extent to which the activities carried out by the Companies within the Eurocash Group are environmentally sustainable.

An environmentally sustainable activity is one that simultaneously:

– makes a significant contribution to at least one environmental objective,

- does not do serious damage to any of the environmental objectives,
- is carried out in accordance with the minimum guarantees,
- meets the technical qualification criteria.

Scope of disclosure

As part of the analysis, the Eurocash Group identified activities that make a significant contribution to the first environmental goal:

1. Climate change mitigation

No significant contributing activities were identified under the other 5 objectives:

2. Climate change adaptation
3. Sustainable use and protection of water and marine resources
4. Transition to a circular economy
5. Pollution prevention and control
6. Protection and restoration of biodiversity and ecosystems.

With regard to the second environmental objective, climate change adaptation, possible climate-related physical risks were identified for each taxonomic activity and the significance of their impact on the activity was assessed.

Taxonomy-eligible activities

As a result of the evaluation of the activities carried out by Eurocash S.A. and its subsidiaries, 8 activities included in the Commission Delegated Regulation (EU) 2021/2139 were identified:

3.6. Production of other low-carbon technologies

5.5. Collection and transportation of non-hazardous waste in segregated fractions at source

6.5. Transportation by motorcycles, passenger cars and light commercial vehicles

6.6. Road freight transport services

7.3. Installation, maintenance and repair of energy efficiency equipment

7.5. Installation, maintenance and repair of instruments and equipment for measuring, regulating and controlling the energy performance of a building

7.6. Installation, maintenance and repair of renewable energy technology systems

7.7. Acquisition and ownership of buildings

Assessing compliance with the Taxonomy

All taxonomy-eligible activities were considered incompatible with the with the systematics, i.e., activities that qualify for the systematics but are environmentally unsustainable.

Activities eligible for systematics, but environmentally unsustainable:

0,08% of turnover
58,20% of expenditures investments (Capex)
87,46% of expenditure operational (Opex)

Testing compliance with taxonomy

As part of the process of analyzing compliance with the systematics, the following was done:

- An overview of the activities carried out by Eurocash S.A. and the Group's subsidiaries, together with an assessment of which activities qualify for systematization.

  The identification was made on the basis of the activity descriptions contained in the in the annexes to Commission Delegated Regulation (EU) 2021/2139 and 2023/2486, as well as the NACE classification of economic activities.

- Assignment of the value of turnover, capital expenditures and operating expenses at the Group level to each identified business.

- Verification of the identified activities for compliance with the technical eligibility criteria of Commission Delegated Regulation (EU) 2021/2139 and, in particular, meeting the criteria of significant contribution to the climate change mitigation goal and the Do No Significant Harm (DNSH) criterion in relation to other environmental goals.

- Evaluation of the fulfillment of the Minimum Guarantees.

- Calculation of taxonomic indicators with the preparation of tables containing the required information in accordance with Commission Delegated Regulation (EU) 2021/2178.

Because the technical criteria were not met, all activities eligible for the Taxonomy were deemed incompatible with the systematics.

Minimum Guarantees

The term "minimum guarantees" is defined in Article 18 of Regulation 2020/852, according to which they are: "the procedures applied by a business enterprise to ensure compliance with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set forth in the eight fundamental conventions identified in the International Labor Organization's Declaration on Fundamental Principles and Rights at Work and the principles and rights set forth in the International Bill of Human Rights."

Verification of compliance with the Minimum Safeguards in the Eurocash Group was carried out in accordance with the guidelines set forth in the *Final Report on Minimum Safeguards* prepared by Platform On Sustainable Finance (October, 2022) using the guidance provided in the *Guide for Enterprises on the Application of Minimum Safeguards of the EU Taxonomy* prepared by the Ministry of Development and Technology and the Ministry of Funds and Regional Policy (November, 2024).

The Group has policies and standards in place for:

- protection of human and labor rights,
- anti-corruption,
- taxation,
- and fair competition.

In internal operations, they are in line with the principles and recommendations set forth in the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, as well as in conventions and declarations on human rights and fundamental principles and rights at work. In the value chain, incomplete due diligence requirements are applied.

As a result of the analysis, it was determined that the Group's operations are not being conducted in full compliance with the minimum safeguards.

In the future, we plan to implement appropriate measures to strengthen due diligence processes in the value chain.

In the reporting year, the Group had no final convictions and no evidence of liability or violations by the Group in the area of human rights, including labor rights, corruption, taxation and antitrust.

Accounting rules for KPIs

Calculations of the percentage of turnover, capital expenditures (CapEx) and operating expenditures (OpEx) eligible for the taxonomy were made according to the following rules:

Table 26. Accounting rules for KPIs

KPI components	Turnover	Capital expenditures (Capex)	Operating expenses (Opex)
Counter	Revenues from activities that qualify for the Taxonomy, including the rental and sale of buildings and the sale of automobiles.	Capital expenditures from Taxonomy-eligible activities, including the purchase of refrigeration equipment, balers, forklifts, automobiles, installation, maintenance and repair of energy efficiency equipment, utility measurement, regulation and control equipment, and renewable technology systems.	Operating expenses from Taxonomy-eligible activities, including rental, repair and servicing of forklifts, cars and trucks (short-term rentals) and building rentals, building renovations and repairs.
Denominator	Revenue recognized in accordance with IAS 1.82(a), including revenue recognized in accordance with IFRS 15 and IFRS 16 **Total revenue:** PLN 32,241,140,372 **Revenue from sales of goods:** PLN 32,119,031,154 **Revenue from sale of services** PLN 121,167,715 **Revenue from sale of materials** PLN 941,503 **Data source:** Consolidated financial statements of the Eurocash Group - Consolidated income statement for the period from 01.01 to 31.12.2024 – Revenue. Note: Business segments.	Capital expenditures accounted for under IAS 16, IAS 38, IFRS 16, IAS 40, IAS 41 **Capital expenditures:** PLN 370,825,199 **Expenses for acquisition of intangible assets:** PLN 48,485,711 **Expenses for the acquisition of tangible assets:** PLN 147,329,636 **Increase due to conclusion of new contracts for right-of-use assets:** PLN 175,009,852 **Data source:** Eurocash Group Consolidated Financial Statements - Consolidated Statement of Cash Flows for the period from 01.01 to 31.12.2024. Note: Goodwill and intangible assets; Note Property, plant and equipment; Note Right-of-use assets.	Non-capitalized costs, including: research and development, building renovation methods, short-term leases, maintenance and repairs, as well as other direct costs related to the ongoing maintenance of property, plant and equipment necessary to ensure the continuity and efficiency of their operation

The data used in the calculations came from the Eurocash Group's financial and accounting system and the financial and accounting systems of individual subsidiaries.

All identified activities contribute to the first environmental objective, so there was no risk of double counting.

Table 27. Percentage of turnover from products or services related to systematic business activities - disclosure is for 2024

Business	Code or codes	Turnover in absolute terms [PLN].	Share of turnover [%]	Criteria for significant contribution						
				Mitigating climate change	Adaptation to climate change	Water and marine resources	Pollution	Circular economy	Biodiversity	Share of activities consistent with the systematics (A.1.) or qualifying for systematics (A.2.) year 2023 [%]
A. Activities that qualify for systematics										
A.1 Types of environmentally sustainable activities (consistent with the systematics)										
Turnover from environmentally sustainable activities (in line with the systematic) (A.1)	-	0	0							0
A.2 Activities that qualify for systematics but are environmentally unsustainable (activities inconsistent with the systematics)										
Transportation by motorcycles, passenger cars and light commercial vehicles	CCM 6.5[3]	2 150 415,66	0,01	EL[4]	N/EL[5]	N/EL	N/EL	N/EL	N/EL	0,003
Acquisition and ownership of buildings	CCM 7.7	23 017 304,17	0,07	EL	N/EL	N/EL	N/EL	N/EL	N/EL	0,036
Turnover from systematic-eligible but environmentally unsustainable activities (non-systematic activities) (A.2)		25 167 719,83	0,08	0,08	0	0	0	0	0	0,04
Total (A.1 + A.2)		**25 167 719,83**	**0,08**	**0,08**	**0**	**0**	**0**	**0**	**0**	**0,04**
B. Activities that do not qualify for systematics										
Turnover from activities that do not qualify for systematics (B) %		32 215 972 652,17	99,92							
Total (A+B)		**32 241 140 372,00**	**100,00**							

[3] *The code is the abbreviation of the climate change mitigation objective for which the business activity is eligible to make a significant contribution to its implementation, as well as the number of the section devoted to the activity in the objective annex;*

[4] *Activities that qualify for systematics in the case of a suitable target;*

[5] *Activities that do not qualify for systematics for the right purpose;*

Table 28. Percentage of capital expenditures for products or services related to systematic business activities - disclosure is for 2024

Business	Code or codes	Capital expenditures in absolute terms [PLN].	Share of expenditures [%]	Criteria for significant contribution						
				Mitigating climate change	Adaptation to climate change	Water and marine resources	Pollution	Circular economy	Biodiversity	Share of activities consistent with the systematics (A.1.) or qualifying for systematics (A.2.) year 2023 [%]
A. Activities that qualify for systematics										
A.1 Types of environmentally sustainable activities (consistent with the systematics)										
Capital expenditures from environmentally sustainable activities (in accordance with the systematic) (A.1)	-	0	0							0
A.2 Activities that qualify for systematics but are environmentally unsustainable (activities inconsistent with the systematics)										
Manufacture of other low-carbon technologies	CCM 3.6	27 385 412,51	7,38	EL	N/EL	N/EL	N/EL	N/EL	N/EL	7,08
Collection and transportation of non-hazardous waste in segregated fractions at source	CCM 5.5	230 390,00	0,06	EL	N/EL	N/EL	N/EL	N/EL	N/EL	0,05
Transportation by motorcycles, passenger cars and light commercial vehicles	CCM 6.5	80 736 700,93	21,77	EL	N/EL	N/EL	N/EL	N/EL	N/EL	10,69
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	9 418 506,82	2,54	EL	N/EL	N/EL	N/EL	N/EL	N/EL	2,26
Installation of equipment for the measurement, regulation and control of utilities	CCM 7.5	354 970,9	0,10	EL	N/EL	N/EL	N/EL	N/EL	N/EL	0,40
Installation, maintenance and repair of renewable energy technology systems	CCM 7.6	1 474 547,07	0,40	EL	N/EL	N/EL	N/EL	N/EL	N/EL	1,51
Acquisition and ownership of buildings	CCM 7.7	96 207 703,00	25,94	EL	N/EL	N/EL	N/EL	N/EL	N/EL	29,68
Capital expenditures from systematic-eligible but environmentally unsustainable activities (non-systematic-eligible activities) (A.2)		215 808 231,23	58,20	21,07	0	0	0	0	0	51,67
Total (A.1 + A.2)		**215 808 231,23**	**58,20**	**21,07**	**0**	**0**	**0**	**0**	**0**	**51,67**
B. Activities that do not qualify for systematics										

Capital expenditures from activities that do not qualify for systematics (B) %.		155 016 967,77	41,80							
Total (A+B)		**370 825 199,00**	**100,00**							

Table 29. Percentage of operating expenses for products or services related to systematic business activities

Business	Code or codes	Operating expenses [PLN].	Share of operating expenses [%]	Criteria for significant contribution						Share of activities consistent with the systematics (A.1.) or qualifying for systematics (A.2.) 2023 [%]
				Mitigating climate change	Adaptation to climate change	Water and marine resources	Pollution	Circular economy	Biodiversity	
A. Activities that qualify for systematics										
A.1 Types of environmentally sustainable activities (consistent with the systematics)										
Operating expenses for environmentally sustainable activities (in accordance with the systematic) (A.1)	-	0	0							0
A.2 Activities that qualify for systematics but are environmentally unsustainable (activities inconsistent with the systematics)										
Manufacture of other low-carbon technologies	CCM 3.6	24 476 681,60	4,15	EL	N/EL	N/EL	N/EL	N/EL	N/EL	5,03
Transportation by motorcycles, passenger cars and light commercial vehicles	CCM 6.5	9 958 081,00	1,69	EL	N/EL	N/EL	N/EL	N/EL	N/EL	1,60
Road freight transport services	CCM 6.6	82 510 560,17	13,97	EL	N/EL	N/EL	N/EL	N/EL	N/EL	14,02
Acquisition and ownership of buildings	CCM 7.7	399 509 524,69	67,60	EL	N/EL	N/EL	N/EL	N/EL	N/EL	69,88
Operating expenses from systematic-eligible but environmentally unsustainable activities (non-systematic activities) (A.2)		516 454 847,46	87,46	87,46	0	0	0	0	0	90,53
Total (A.1 + A.2)		**516 454 847,46**	**87,46**	**87,46**	**0**	**0**	**0**	**0**	**0**	**90,53**
B. Activities that do not qualify for systematics										
Operating expenses for non-systematic activities (B) %		74 042 490,83	12,54							
Total (A+B)		**590 497 338,29**	**100,00**							

Nuclear and natural gas activities

Table 30. Nuclear and natural gas activities

NUCLEAR ENERGY ACTIVITIES		
1.	The company researches, develops, demonstrates and deploys innovative power generation facilities that produce energy through nuclear processes with minimal fuel cycle waste, finances this activity or has exposure to it.	NO
2.	The company conducts the construction and safe operation of new nuclear facilities for the generation of electricity or process heat, including for district heating or industrial processes such as hydrogen production, as well as their safety upgrades using the best available technologies, finances these activities, or has exposure to it.	NO
3.	The company conducts safe operation of existing nuclear facilities generating electricity or process heat, including for district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades, finances these activities or has exposure to them.	NO
NATURAL GAS ACTIVITIES		
4.	The company builds or operates facilities for the generation of electricity using gaseous fossil fuels, finances this activity or has exposure to it.	NO
5.	The company conducts, finances or has exposure to the construction, modernization and operation of facilities for the combined generation of heat/cooling and electricity using gaseous fossil fuels.	NO
6.	The company conducts, finances or has exposure to the construction, modernization and operation of heat generation facilities that produce thermal/cooling energy using gaseous fossil fuels.	NO

The Eurocash Group does not have nuclear and natural gas operations as shown in the table above, so the report does not include tables accompanying the disclosure of performance indicators for activities 4.26-4.31 as indicated by the provisions of Article 8 (6-8) of EU Regulation-2021/217.



Society

E **S** G

3. Society [S]

3.1. Eurocash Group employees

[SBM-2]

Eurocash Group would not exist without the commitment of employees, their constant striving for change and development. They are our greatest strength and advantage. Thanks to the joint action of Employees, the Group has been participating and continuously developing in the difficult dynamic FMCG market for 30 years. The Management Board is open to dialogue with employees, and their opinions are taken into account when determining key initiatives and new challenges.

In the case of Business Strategy and Sustainability, the reconciliation of goals is done taking into account the views of the individuals and teams who are ultimately involved in achieving the strategic goals. The employee engagement rate is one of the sustainability KPI targets.

Every year, in an anonymous Employee Opinion Survey, the Group provides an opportunity for every employee to express his or her opinion on, among other things: working conditions, tasks performed, opportunities for development at our company and perceptions of the Management Board' work. The purpose of the survey is to allow all employees to indicate which areas related to the workplace are rated positively and which need to be changed or improved.

Communication with employees is carried out through the internal intranet, email newsletters and posters as well as through direct meetings and conversations with supervisors. Information from employees goes to Management Board Members indirectly through employee supervisors.

[SBM-3]

Identification of actual and potential risks and opportunities associated with its own employees is described in ESRS 2 SBM-3 disclosure in Point 1.6.

Two occupational groups are distinguished in the Group. Employees can be divided, due to the different nature of their work, into warehouse employees and administrative and office employees. For both of these groups, the main risks associated with the performance of their tasks have been identified. Warehouse employees are exposed to negative factors such as noise, vibration, adverse biomechanical factors and hazards associated with machinery and equipment. The second group of employees exposed to long-term adverse working environment conditions are administrative and office employees. The nature of their work involves prolonged work in front of a monitor screen in a forced body position. The measures taken to eliminate adverse factors are described in the following subpoints.

The Group has not identified any incidents of exposure to the risk of incidents of forced labor or child labor.

A. Inclusive work environment

[S1-1]

The Group undertakes a set of activities to protect and promote human rights. We adhere to the values that human rights are fundamental rights and freedoms enjoyed by every person, regardless of their origin, gender, sexual orientation, age, religion or political beliefs. We place great importance on respecting human rights at all stages of cooperation, from recruitment, through the employment phase,

to the moment of termination. We have implemented ***The Policy for the Protection of Human Rights in Eurocash Group*** based on national legislation and international standards and guidelines:

- The International Bill of Human Rights, developed based on the Universal Declaration of Human Rights adopted by the UN General Assembly,
- The International Labor Organization's Declaration of Fundamental Principles and Rights at Work (and its eight fundamental conventions),
- United Nations Guiding Principles on Business and Human Rights,
- Ten principles of the United Nations Global Compact,
- Convention on the Rights of the Child.

The policy on its own employees is in line with internationally recognized instruments, including the UN Guiding Principles on Business and Human Rights.

The Human Rights Policy in the Eurocash Group with its scope includes a number of activities such as:

- Developing and implementing internal regulations that guarantee human rights;
- Activities for the protection of human rights in emergency situations, such as wars, armed conflicts or humanitarian crises;
- Promoting a culture of respect for human rights and fighting discrimination and intolerance;
- Educating employees and external stakeholders about human rights and their protection;
- Monitoring compliance with human rights and responding to violations.

In addition, the Group developed an internal document in 2024 on respecting human rights: ***the Code of Ethics and Conduct for Employees.*** The Code of Ethics forms the basis of our organization, helping us make the right decisions in difficult situations and shaping our responsibility to society. We have committed employees to implement the ethical principles that have been adopted the sake of transparency in business and daily work. The Code defines standards of conduct, key values, expected attitudes and unacceptable behavior and its observance is the responsibility of every employee and associate, regardless of the form of employment. Its purpose is to ensure that our actions are consistent with the highest ethical standards, promoting transparency, respect, honesty and responsibility to others. In the Code, we have committed to:

- adherence to the values of the Eurocash Group,
- compliance with labor laws,
- respect for human rights, fighting discrimination and intolerance,
- care for occupational safety and employee health,
- fostering a diverse and inclusive work environment,
- prohibitting forced labor, human trafficking and forms of modern slavery,
- personal data protection and confidentiality,
- countering bullying and discrimination,
- educational support and professional development,

- countering corruption and avoiding conflicts of interest,
- verifying the reliability of suppliers.

The Code is one of the tools that facilitate the implementation of the commitments made, as well as a manifestation of the company's commitment to responsibly shaping everyday business practice.

Responsibility for the implementation of policies and procedures regarding the protection of human rights for those providing work for the Group rests with the CEO, who assigns responsibility to designated individuals and teams.

Diversity and inclusive work environment

[S1-1]

The Diversity Support Policy is a set of strategic directions and principles that aim to create a work environment based on respect, inclusion and appreciation of the diversity of our employees. We focus on countering all forms of discrimination and building teams that reflect social diversity.

Key Policy Principles:

- Equal opportunity in employment, wages and promotion,
- Promoting openness and countering stereotypes,
- Integration and active support for employees with different backgrounds, skills and identities,
- Promoting diversity by gender, age, education and location.

With this policy, we can ensure that every employee feels valued and has equal opportunities for development.

The Eurocash Group Code of Ethics and Conduct is a set of principles that define our approach to business, cooperation and professional ethics. It defines the standards of conduct that guide us in internal and external relations. At Eurocash Group, we promote a culture of respect for human rights, fighting discrimination and intolerance.

Key Values of the Code

- Respect and equal treatment - we make sure that everyone feels part of the organization, regardless of their background, age or disability,
- Anti-discrimination and bullying - we have mechanisms in place to counter such phenomena and procedures for reporting them,
- Transparency and integrity - we operate according to high ethical standards in business and the workplace,
- Safety and well-being - we create a work environment that is free of bias and promotes mental and physical health.

The Code applies to all Eurocash Group employees, regardless of their position or form of employment.

Based on the *Eurocash Group Human Rights Policy*, we are committed to respecting and promoting human rights throughout our business operations. We are guided by the principles of equal treatment and prevention of all forms of discrimination, in accordance with international standards and national regulations.

[S1-4]

Our key activities in protecting human rights and diversity include:

- Creating an open and tolerant work environment with principles of respect and equality,
- Anti-discrimination and bullying - implementation of anti-discrimination policies and whistleblowing procedures,
- Preventing child and forced labor - adhering to the principles of the International Labor Organization (ILO).

Diversity and an inclusive work environment are an integrated part of Eurocash Group's business operations and hiring strategy. As one of the largest employers in Poland, it is guided by the principles of equal treatment and counteracting all forms of discrimination, believing that this brings tangible benefits and influences the development and innovation of the organization.

Diversity in the workplace is one of the key values for Eurocash Group, contributing to the development of the company and the achievement of its business goals. The Group treats each employee individually, and avoids being guided by stereotypes in its operations. Employees differ in many respects, which has a direct impact on their motivation and work style, the way they communicate or build relationships with colleagues

The organization focuses on promoting diversity and inclusion in such key areas as gender, age, education and location. In 2024, the Eurocash Group became a signatory to the Diversity Charter, thus committing to further efforts to build a diverse and inclusive work environment. The Group's practices have also been evaluated in the Diversity IN Check survey, which allows diagnosing the maturity of organizations in terms of diversity management and building inclusive teams.

At Eurocash Group, we have implemented a number of documents and procedures, *including the Diversity, Equality and Inclusion Strategy at Eurocash Group*, which systematize our approach to managing diversity, ethics and an inclusive work environment. These measures are part of our HR strategy and provide a foundation for building a culture of respect and equality.

In the past year, the Eurocash Group implemented a number of initiatives to promote diversity, including education, employee support and active equality measures:

Campaigns and initiatives to promote DEI

- Comprehensive communication campaign on DEI, raising employee awareness of diversity.
- Promoting the Diversity Charter, to which the Group is a signatory.
- The #UjawnijSię campaign - we'll appreciate your fitness, encouraging open conversations about disabilities in the workplace.
- Collaborate with employment intermediary organizations to support the employment integration of people with disabilities.

Education and support for employees

- Webinars and e-learning trainings on topics related to diversity, anti-bullying and negative phenomena in the workplace.
    - "Badania profilaktyczne i zdrowy styl życia jako droga do długowieczności" ("Preventive screenings and healthy lifestyles as a path to longevity") - promoting preventive health care.

- "Pasujemy do siebie: Fakty i mity na temat [nie]pełnosprawności" ("We fit together: Facts and Myths About Dis[ability]") - dispelling stereotypes about people with disabilities.
- "Zatrudnianie osób z niepełnosprawnością – na co zwrócić uwagę?" ("Employing people with disabilities - what to pay attention to?") - practical tips for managers.
- "Różnorodność, równość, włączanie - kluczowe obszary DEI" ("Diversity, equality, inclusion - key areas of DEI") - introduction to diversity policy.
- "Płeć w przywództwie" ("Gender in Leadership") - the role of men and women in management.
- "Wrażliwość na niepełnosprawność" ("Disability sensitivity") - how to build a more inclusive work environment.
- "Polak, czy Babyboomer. Co nas łączy, a co nas dzieli?" ("Pole or Babyboomer. What unites us and what divides us?") - intergenerational cooperation.

– Webinar on feminatives and their use in the professional space, followed by a survey of employees on the topic.

- Workshop "Poczuj, doświadcz, a zrozumiesz..." ("Feel, experience and you will understand...") - during which employees were able to take on the role of a person with physical disabilities, blindness and deafness.
- Akcja Zdrowia – Zeskanuj swoje zdrowie (Health Action - Scan Your Health), encouraging preventive health care.
- Stationary cell phone training to support employees' digital competence.

Engagement of DEI ambassadors

Creating a group of diversity ambassadors representing the Group's key DEI policies: gender, fitness and age.

Development and inclusive initiatives for women and men

– Launch of the Women's Potential Development Program, the first edition of which culminated in the creation of a support and knowledge-sharing group for female graduates.

– March - Women's Month - a series of events dedicated to strengthening the role of women in the organization.

– September - Men's Month - a series of events and initiatives dedicated to men's health and development.

– Pink October - activities promoting cancer prevention for women.

– Wąsopad - a campaign highlighting the importance of preventive examinations for men.

Sport and integration in the spirit of inclusiveness

– Women's Run Zawsze Pier(w)si - supporting breast cancer prevention and promoting physical activity among women.

– Bieg Na Tak – Bieg bez barier - an event that integrates and promotes sports as a space for everyone.

Support for employees and their families

- Free medical care for all employees
- Possibility of medical care packages for family members - spouses, children, parents, and partners not in a formal relationship.
- Extended medical care for employees with disabilities and their relatives.
- Disadvantaged people's allowances - financial support for employees with disabilities and parents/guardians of dependents.
- Program for gifted children and young people - supporting the education of children from areas with difficult access to education.
- Preventive examinations available both at headquarters and nationwide.

Modern internal communication

We have started a podcast series with our employees sharing their stories and experiences.

Eurocash Group Foundation Scholarship Programs

Beginning in 2013, the Eurocash Group, through its Foundation, has systematically invested in the development of the younger generation, funding scholarships that equalize educational opportunities and facilitate good preparation for the start of adulthood, increasing the chances of success in life.

These activities are implemented in the form of two scholarship programs.

"The Talent Scholarship Program" has been in operation since 2013. It focuses on young people attending high schools and studying at universities, that is, being at a stage of development when they are intensively absorbing knowledge, developing their passions and forming attitudes. Obtaining a scholarship in this program requires a high grade point average, documented achievements in the chosen area of interest and, last but not least, social involvement. Once these criteria are met, financial support is available to young people whose parents are employees of the Group or franchise and partner networks that cooperate with Eurocash. A scholarship in the Program can be obtained multiple times, but each time you have to meet very high requirements and face stiff competition.

In the 2024/2025 Edition, the Foundation has allocated 152 scholarships worth a total of PLN 929,000.

"The Guardianship Scholarship Program" has been in operation since 2021, with the aim of supporting the education and development of orphaned children of a parent employed by the Eurocash Group. The scholarship is paid until graduation from a secondary school of any profile. Funds from the scholarship can be used for basic school needs, but also for hobbies and passions. The condition for receiving support is that the child continues his or her education until high school graduation. Participants who take university courses after passing the high school diploma exam receive a bridge scholarship.

The number of scholarship recipients in the Guardianship Scholarship Program fluctuates throughout the year. At the end of 2024, 43 people were covered by the scholarship.

Scholarship programs are funded entirely by Eurocash. The Eurocash Group Foundation does not benefit from public funds.

In 2024, the grantees had the opportunity to take advantage of webinars conducted by the Eurocash Skills Academy, gaining access to knowledge useful in aptly choosing a career path and gaining employment in line with their preferences.

The total number of scholarships awarded was 200 each in the 2023/2024 and 2024/2025 school years and the total value of scholarships awarded to date has exceeded PLN 10.5 million to both the children of our own employees and franchisees.

Through the above-mentioned activities, Eurocash Group is building a culture of openness, cooperation and mutual respect, supporting each employee in professional and personal development.

[S1-9]

Table 31. Diversity index at the end of 2024

Disclosure S1-9	Value
Number of employees in top management - women	86
Number of employees in top management - men	161
Number of employees in top management total	**247**
Percentage of employees in total top management - women	**35%**
Percentage of employees in total top management - men	**65%**

Disclosure S1-9	Value
Breakdown of employees under the age of 30	2 534
Breakdown of employees in the 30-50 age range	10 780
Breakdown of employees over the age of 50	3 077
Total number of employees	**16 391**

B. Reporting concerns and irregularities

[S1-3] The Eurocash Group has implemented a system for reporting violations of the law, internal regulations and ethical standards via a helpline. Group employees can report violations of material, actual and potential, positive or negative impacts that affect or may affect them through dedicated contact channels:

- dedicated email address,
- anonymous application form on the website,
- by phone to a dedicated number,
- by regular mail.

All persons involved in the application process are obliged to maintain the confidentiality of information and the procedural persons have the appropriate authorizations.

A formal **mechanism for handling complaints and reports** of labor issues provides our employees with a safe and fair way to express concerns and raise issues. Complaints can include issues of

discrimination, harassment, violations of employee rights and other problems related to working conditions. Complaints are handled by an independent Risk Management and Sustainability Department.

The mechanism includes the following stages:

Stage I – Reporting a Complaint – Employees can report complaints through a designated communication channel that ensures confidentiality, such as a dedicated email address, web form or contact with the Risk Management and Sustainability department. If desired, it is also possible to report anonymously.

For employees who do not have access to computers, such as those working in stores or wholesalers, we have prepared informational posters. These posters, placed in prominent locations in our facilities, contain key information about available reporting channels and contacts to the appropriate people, ensuring full access to the whistleblowing system, regardless of where you work.

Employees in our organization have the opportunity to choose the preferred reporting channel that best suits their needs and working conditions. Details of the available reporting channels, as well as the timeframe for processing reports, are contained in the Regulations for the Acceptance and Processing of Reports of Violations, which are available to all employees on the company's intranet. These regulations describe in detail the procedures for reporting cases, setting out clear rules and timeframes for processing reports.

Stage II - Complaint analysis - Each complaint is evaluated by the team responsible for compliance with the organization's HR and equity policies. It conducts a thorough investigation, taking into account all the circumstances of the report.

Stage III - Corrective Actions - Based on the results of the analysis, appropriate actions are taken to address the reported problem, which may include training, changes in organizational policies or corrective actions directed at those involved in the reported incident.

Stage IV - Monitoring and Reporting - The complaint handling process is monitored and the results of resolving cases are documented. The organization regularly analyzes trends in reports to more effectively identify potential areas for improvement in personnel management.

Figure 19: Mechanism for handling complaints and notifications



For more information, see Chapter 4.2 Whistleblower Protection, including the process of leveling negative impacts in accordance with the whistleblower. All disclosed topics relevant to Chapter *3. Society [S]* refer to the above whistleblowing system and the mechanism for handling complaints and reports.

[S1-17]

Through reporting channels, the Group received 63 reports from employees about potential irregularities in 2024. All of them were verified while an impact remediation plan was implemented for 38 of them. Recommendations were made to the human resources departments of each business unit, responsible for deciding whether to implement remediation programs or, as a last resort, terminate the employment relationship. In 2024, one case of discrimination, including harassment, was reported in the Eurocash Group.

Table 32. Incidents, complaints and serious impacts on human rights compliance

Disclosure S1-17	Value
Total number of cases of discrimination, including harassment, reported during the reporting period	1
Total number of complaints filed through problem reporting channels by individuals belonging to the unit's own employees (including complaint handling mechanisms)	63
Total number of complaints submitted to national contact points for the OECD Guidelines for Multinational Enterprises	0
Total amount of fines, penalties and damages for incidents and complaints	0 PLN
Information on the reconciliation of fines, penalties and compensation for damages resulting from violations of discrimination and labor-related harassment with the most significant amount presented in the financial statements.	not applicable
Total number of serious human rights incidents related to an individual's workforce during the reporting period	0
Total number of serious incidents of respect for human rights related to an individual's workforce during the reporting period that are cases of non-compliance with the UN Guiding Principles on Business and Human Rights, the International Labor Organization's Declaration on Fundamental Principles and Rights at Work, or the OECD Guidelines for Multinational Enterprises	0
Number of cases of serious incidents involving respect for human rights in which the unit played a role in securing remedies for those affected during the reporting period	0
Total amount of fines, penalties and compensation for damages resulting from incidents involving respect for human rights related to the workforce of an individual	0 PLN
Information on reconciliation of the amount of fines, penalties and compensation for serious human rights violations and incidents related to its own employee resources with the most significant amount presented in the financial statements.	not applicable
Total number of incidents reviewed by the unit	125
Total number of incidents with impact recovery plans implemented	38
Total number of incidents with remediation plans in place reviewed as part of routine internal management review processes	0
Total number of incidents that are no longer being addressed	87
Total number of cases of serious human rights incidents in which the unit played a role in securing remedies for those affected during the reporting period	0

C. Impact on own employees, risks and opportunities

[S1-4]

Eurocash Group has been building comfortable working conditions for many years and attaches great importance to the most important values that are close to the employees. It takes measures to influence non-wage elements by creating a friendly working environment, provides adequate and useful work tools, gives stability and reputation to the company, the opportunity to improve competence and cares about employees' personal safety. Employees also recognize the contribution to reducing climate change in the wider and narrower environment, the secure payment of wages and a broad benefits package, and the provision of a balance between personal life and work. At the same time, the HR Department is working on developing a revised wage gap and adjusting to the new regulations. HR executives are making efforts to balance the planned budget between, on the one hand, the increase in expenditures associated with raising wages, including the minimum wage, and, on the other hand, the ability to meet employee pressures and potential declines in sensitive areas.

Identified risks in the social area may include:

- working conditions and, in particular, wage pressures and changes in the minimum wage,
- the lack of qualified employees in key positions to ensure supply chain continuity and high turnover,
- loss of reputation or unfavorable opinion of the employer,
- risk of corruption, conflict of interest or personal gain,
- risk of loss of health or life, the occurrence of occupational diseases,
- risk of unequal treatment and inequality of opportunity,
- risk of violating data protection regulations,
- risk of violating labor laws.

[S1-5]

Objectives related to employees are defined in the Sustainable Development Strategy. They relate to the areas of employee development, building commitment and satisfaction, and ensuring a safe and friendly workplace. For a summary of the strategic goals and their implementation, see Point 1.4 of the Group Strategy [SBM-2].

D. Working conditions

Data security

[S1-1]

As a leader in the Polish wholesale market for the distribution of FMCG products, on which millions of users rely, we take care of cyber and information security in various areas of our business. In order to effectively counter modern cyber threats, we have implemented a number of rules and guidelines, contained in our policies, procedures, including *the Eurocash Group Information System Usage Policy* and *the External Entity Access Management Policy*. Our policies and procedures set out clear rules for the proper use of the IT system of Eurocash S.A. and the companies affiliated with Eurocash S.A., and

are designed to protect the confidentiality of information, minimize the risk of loss of integrity and availability of data, and minimize the risks associated with our business

[S1-2]

The Group does not have procedures for working with its own employees and employee representatives on IT data security.

There is an IT Security team within the structures of our Group, which carries out tasks including ICT security management, building security awareness among employees (security awareness) and responding to IT security incidents. This team is constantly working to improve our security systems, analyzing new threats and implementing appropriate protection measures.

[S1-3]

To ensure the smooth operation of the IT system and prevent or minimize the negative effects of emergency situations, we strive to provide redundant telecommunications and IT infrastructure resources. Key systems are placed in different geographic locations to avoid problems associated with local failures. We implement measures to protect and secure the data entrusted to us, using technical, administrative and physical safeguards that help protect data from various threats, including cyber threats.



Group employees can report risks using
a dedicated email address: *helpdesk@eurocash.pl*
A **Helpline** has been made available for others in the value chain:
https://www.grupaeurocash.pl/formularz-sygnalista

[S1-4]

We conduct continuous monitoring of security incidents and vulnerabilities, and test resilience to cyber-attacks to respond appropriately to the changing environment.

To ensure adequate data protection in our organization, our employees participate in mandatory information security and data protection training, as well as optional training to increase awareness and application of IT security best practices. These trainings are regularly updated to include the latest threats and technologies to keep our employees up to date on their data protection competencies.

[S1-5]

A key objective is to increase employees' knowledge, awareness and competence in the area of data protection and to maintain the highest level of security for the Group's employees. The Group is aware of the risk of data security breaches. Therefore, we are taking a number and measures and have implemented the necessary policies and procedures to protect the Group from financial and reputational consequences. We conclude that effective data protection minimizes the risk of costly security breaches.

In 2024, no Eurocash Group company has been fined by the Office for Personal Data Protection supervisory authority for violations of personal data processing.

Standardization of remote working and digitization of HR processes

[S1-1]

In 2023, the rules of remote work were regulated in the Eurocash Group on the basis of *the Remote Work Agreement*, which was also practiced in 2024. The starting point for the preparation of the internal regulation became the legal regulations, with the consideration of which the flexible hybrid work formula was created. The current forms of work in force in the Group are:

- stationary work - in areas whose specific tasks require it, such as warehouses, stores, wholesalers,
- hybrid work, where part of the work week has been set aside for working from the office, and the remaining days for working from home
- total remote work especially for analytical, IT, support positions.

More than 1,000 employees are covered by the hybrid work formula, and about 250 employees are covered by the total remote work formula. Members of the Management Board responsible for individual business units and companies have gained the authority to further shape the developed proportion of days of stationary and remote work according to the specifics of departments and teams.

[S1-3] [S1-4]

At Eurocash Group, care has also been taken to provide solutions conducive to hybrid work, both in the physical and virtual work environment. Additional conference rooms were made available in the offices for desktop meetings and acoustic booths for individual remote meetings. An ergonomic audit was also conducted to refresh good working practices from the office. Key resources, i.e. desks, conference rooms and parking spaces, have been made available in an intuitive application for booking them. Collaboration is also supported by an internal social platform, with the help of which employees from different business areas in the organization share achievements, knowledge, experience and passions. In addition, recommendations have been developed to support project work, teamwork and the building of internal communities.

The process of documenting hybrid working hours is carried out in an application adapted for this purpose. In this way, Eurocash Group has taken another step towards reducing the amount of paper used. In 2024, the Eurocash Group started the process of digitizing HR processes with the aim of optimizing operations, simplifying processes and their architecture, reducing the amount of paper and, above all, facilitating collaboration and management.

Among other things, such developments as an integrated HR technology platform, self-service HR service, access to data for managers, automation of HR processes, have been recognized by external experts who, in their reviews of compliance with the law and values, emphasize the importance of the standard achieved. The development of this area contributed, among other things, to Eurocash Group joining the prestigious group of companies with the Top Employer Poland certificate.

Listening to the voice of employees

[S1-2]

Listening to the voice of employees is key to creating an inclusive work environment where everyone feels valued and has the opportunity to express their opinions. Such a process not only increases team engagement, but also fosters innovation and better decision-making, which translates into success for the entire organization. The purpose of the adopted *Employee Listening Strategy* is both to receive current information about the company's work environment and to involve employees in the decision-

making processes that take place in Eurocash Group. Such action continually promotes an entrepreneurial attitude, which is also one of the values guiding the Group, and creates space for two-way communication and sharing of ideas.

Methods for obtaining feedback from employees:

- Cyclical Employee Opinion Survey - includes all employees
- Periodic Pulse
- Webinars with Board members with direct questioning session
- Dedicated email, contact, company-wide mailboxes
- Hotline for employees
- survey for new hires and their supervisors
- Questionnaire for employees who voluntarily leave the company as part of
- Evaluation surveys after company events and measuring attendance
- Study of cooperation between units
- Internal focus studies with employees
- Candidate Experience survey among selected new hires.
- Annual strategy meeting

The most extensive effort to listen to the voice of the employed is the Employee Opinion Survey, which is conducted annually. In 2024, 90 percent of employees took part in it, and had the opportunity to indicate both areas that were evaluated positively and those that they think need to be changed or improved.



Summary of Employee Opinion Survey 2024:

- **90% employee turnout in the survey** - 2 pp less than last year
- **44% engagement rate** - 3 pp less than the previous survey
- **56% satisfaction rate** - 4 pp less than the previous survey

The areas rated highest by Employees were: cooperation with supervisor - 68% and work organization - 62.8%. This was followed by areas such as wellbeing and benefits - 62.5%, cooperation - 62%, and diversity, equality and inclusion - 61.9%, which are among the key pillars of the HR Strategy.

The results of the Employee Opinion Survey translate into real changes in the daily work of employees - both at the central level throughout the organization and in the Group's individual business units. Thanks to the feedback received in the Employee Opinion Survey carried out under the slogan "Simply because your opinion makes sense," many initiatives have been implemented.

In Eurocash Group, the employee's voice is important at every stage of the employee's career, not only while working in the organization, but also when leaving the organization The opinions collected upon termination of the employment relationship are subject to continuous analysis and allow us to define the directions for improving the Group's processes and building an engaging work environment.

Voluntary departures are given special attention. The feedback obtained from employees makes it possible to respond to current needs, as well as to incorporate the suggestions received into long-term strategies.

The head of the Human Resources Department is the person operationally responsible for ensuring that the cooperation in question takes place and that the results of the cooperation influence the unit's approach to working with its own employee resources.

Promoting work-life balance (wellbeing)

[S1-4]

The Eurocash Group is taking a number of measures to spread work-home balance among employees. The initiatives implemented by the Group in this regard in 2024: **#Zdrowe biuro**

#Zdrowe biuro (Healthy office) is a series of measures the Eurocash Group is taking to holistically support employee wellbeing. The Group is consistently implementing *the Wellbeing Policy* announced as part of the Eurocash Group HR Strategy 2023-2025.

Among the activities the Group carried out in 2024 were:

- preventive examinations in offices and competitions with vouchers for employees from other locations,
- flu vaccination in offices,
- office massages,
- webinars on pro-health topics,
- wellbeing and sports newsletters,
- "Zgłoś swój start" program, which subsidizes employees' sports activities,
- communication of an educational nature, inspiring a healthy lifestyle,
- anti-stress group on a social media platform with inspiration from the field of wellbeing,
- psychological support hotline,
- a separate form of psychological support for executives,
- Pink Box.

Preventive examinations

In 2024, the Eurocash Group once again carried out cancer prevention months - Pink October and Wąsopad. As part of the #PinkOctober and #Wąsopad campaigns in October and November 2024, the Eurocash Group focused on cancer prevention, following the principle that prevention is better than cure. Preventive examination packages were prepared for employees together with the #Upacjenta partner at the headquarters offices in Komorniki, Warsaw and Lublin. In addition, contests were held for people in other locations, with prizes including vouchers for blood tests at Diagnostyka facilities throughout Poland. 800 people - men and women - were screened for cancer markers. A prophylactic campaign was conducted with the Rakiety Foundation, through which employees could learn how to properly perform breast and testicular self-examinations.

Group employees took part in 2 editions of Bieg Kobiet - Zawsze Pier(w)si, running 5 kilometers anywhere and supporting prevention. The Group also promoted a webinar on cervical cancer prevention and HPV-related topics. Participants in the run were able to receive a home HPV test.

Also this year, the "Scan Your Health" campaign was held at the three main offices, during which 600 people were screened (stationary, via screening vouchers), giving employees the opportunity to choose from three screening packages: Diabetes and Insulin Resistance, Healthy Heart, Healthy Head.

In May, the Group also held a contest in which one could win 50 vouchers for examinations, matched to one's age group, along with consultation on the results of the examinations.

In total, the Group surveyed 1,450 people in 2024.

Flu vaccinations

Flu vaccinations are included in the medical packages that the Eurocash Group offers to employees (subsidized packages by the employer). However, the option to vaccinate at the workplace (in the main offices) was also organized. The purpose of this campaign was also to make employees aware of the dangers of contracting the flu, to explain to them how such a vaccine works, and to identify groups at particular risk of severe flu, through email communication and the sharing of materials developed by the Group's medical operator.

Massages in offices

In September, after returning from vacations and various logistical and organizational challenges, the Eurocash Group offered massages to employees in the main offices. The massages covered the most tense parts of the body, i.e. the muscles of the back, neck, shoulders, hands and arms, which contributes to the reduction of pain typical of office work.

In addition, the Eurocash Group with a healthcare provider conducted an Active Day campaign aimed at encouraging employees to be physically active by raising their awareness of the issue.

As part of the campaign, employees were able to enjoy a measurement and relaxation zone.

Measurement Zone

- Body Composition: Ability to check body water, body fat, muscle mass and metabolic age.
- Balance and coordination level: Checking the level of balance and coordination on a special platform.

Relaxation Zone

- Leg lymphatic drainage: A treatment that improves lymph circulation, eliminates swelling and makes legs feel lighter.
- Neck massage: Shiatsu massager for neck and shoulder pain relief, working to relax and stimulate tired muscles.

Webinar

In addition to the aforementioned webinars, which took place during cancer prevention months, the Eurocash Group Skills Academy organized webinars in the Wellbeing Good Life series, during which specialists told employees about the importance of our wellbeing in various areas of life, including why it's important to build relationships in the workplace, about the household budget, how to rest effectively and why diversity in a team can become our strength, as well as how physical activity has a significant impact on our daily functioning and why this topic is still important in the world of wellbeing.

In 2024, we organized the following webinars as part of the March Women's Month campaign:

- Facial yoga.
- Inclusive language - how do we create feminatives?

September, however, was Men's Month, during which two webinars were held:

- Gender in Leadership.
- The Mind of Tomorrow: based on the 5 superpowers of the human mind according to Martin Seligman.

In addition, the Group organized a special contest dedicated to men.

Wellbeing and sports newsletters

Once a month, wellbeing and sports newsletters are delivered to employees' email inboxes:

- News from the areas of employee benefits, wellbeing, company events, employee volunteering and everything that affects wellbeing in the workplace and beyond.
- Recommendations - links to interesting, inspiring articles.

The sports newsletter, on the other hand, is a summary of employees' sports activities, competition starts, competition entries, articles on sports topics. Interviews with employees who engage in various sports activities and represent Eurocash Group in tournaments or running or triathlon events are published.

"Zgłoś swój start" Program - subsidies for sports activities of employees

The Eurocash Group supports employees in an active lifestyle and encourages them to take the initiative and submit their proposals to compete in various disciplines. The Group subsidizes starting packages, participation in tournaments and other forms of recreation. The "Zgłoś swój start - i zdobądź dofinansowanie" program ("Report your start - and get a subsidy") is very popular.

The Group has subsidized more than 50 running events, including triathlon, Ironman, Runmagedon, Dolnośląski Festiwal Biegów Górskich, Biegi Konstytucji 3 maja, Biegi Niepodległości, Bieg Powstania Warszawskiego, about 20 running starts organized by Biegi Wielkopolskie, as well as bowling events, canoeing, soccer tournaments, and volleyball hall rental. The Eurocash Group is a partner for Biegi Wielkopolskie, supporting the charity Bieg Na Tak and Biegi Kobiet Zawsze Pier(w)si. The Group we have an active community of runners in the Teams (Eurocash Running Team).

Educational communication to inspire healthy lifestyles

Eurocash Group's communications use days related to wellbeing in the broadest sense, such as World Sleep Day, Mental Health Day, and Anti-Depression Day, to share inspiration - articles, podcasts, and point to benefits that can help employees struggling with various problems, such as a reminder about a psychological support hotline.

Anti-stress Group on the company's social media platform

The Anti-stress Group is a place where people interested in exploring topics in the area of wellbeing meet. The company and employees there share their own inspirations from this area.

Psychological support hotline

Eurocash Group provides employees with a dedicated psychologist on duty for those in need of support and advice:

- The hotline is completely anonymous
- Access for any caller
- Access from any phone number
- No appointment necessary
- No time limit per consultation
- The hotline is open at times convenient to the Employee
- The group is actively responding to current events and modifying the availability of the hotline (e.g., Flood - we have launched additional days of psychologist work)

Competitions

In 2024, the Eurocash Group continued to organize contests to support employee well-being. Contests included celebrating Positive Thinking Day, sports and health, fighting diabetes, healthy food and cooking, and eye examinations.

Eurocash Group offers employees a rich **benefits** package. These include:

- Free medical care for employees, and at preferential rates for family members,
- Life insurance for the Employee and their relatives at preferential terms,
- Sports Cards, Sports and Culture, Multilife application co-financed by the Employer,
- Rewarding employees for 10 years and 25 years of work,
- Subsidizing children's summer camps,
- Summer Picnics for Employees and their relatives,
- Prepaid Cards for Christmas,
- Christmas packages for Employees and children,
- Christmas meetings.

Employee Hotline

Eurocash Group has an Employee Hotline, which provides telephone and email support for HR issues in the areas of benefits and attractions, operation of the intranet and benefit platforms, development and training, annual evaluation, 360 assessment, internal recruitment, among others.

Pink Box

In 2024, the Eurocash Group launched the Pink Box project, introducing 17 boxes in various locations and providing free hygiene products and abolishing the menstrual taboo.

[S1-15]

Table 33. Measures of work-life balance

Disclosure S1-15	Value
Are all employees entitled to leave for family reasons?	Yes
Number of eligible employees who took leave for family reasons - women	2 995
Number of eligible employees who took leave for family reasons - men	929
Total number of eligible employees who took leave for family reasons	**3 924**
Percentage of eligible employees who took leave for family reasons - women	**27%**
Percentage of eligible employees who took leave for family reasons - men	**18%**
Total percentage of eligible employees who took leave for family reasons	**24%**

E. Employment structure

[S1-6]

In 2024, 18,000 people worked for the Eurocash Group. This places the organization among the largest employers in Poland. The main form of employment is employment contracts. The Group covers several hundred locations across Poland, from distribution centers to warehouses, halls, stores or offices. It creates jobs in a variety of positions in many areas of business: from logistics, sales, e-commerce, IT, to complex company management (including legal department, finance, marketing, HR).

In addition to stable employment, employees have access to numerous opportunities to develop their competencies and skills. Each person employed by our organization can count on being valued for his or her contribution and commitment, as well as working in an environment based on mutual respect, acceptance and respect for diversity.

The Eurocash Group had more than 16,000 full-time employees in 2024, of whom nearly 69 percent were women. The majority of full-time employees are in the 30-50 age range, working full-time. Senior executives account for 2 percent of the total workforce, and 65 percent of them are men.

The Group also hires employees under other forms of employment, such as civil law contracts, B2B or through temporary employment agencies. Work under contract most often involved carrying out inventories at various business units. During the reported period, several hundred people performed this work. Eurocash Group also used more than 1,000 employees hired by temporary labor agencies - mainly for unloading and unloading goods in stores and as logistical support in distribution centers. Eurocash also employs in its structures so-called non-employee employees - examples include employees delegated by employment agencies, apprentices, contractors, interns or self-employed persons. The Group, in line with its business strategy, has taken a number of measures to optimize its organizational structures in 2024, resulting in a higher-than-expected employee turnover rate of around 40 percent.

The only country in which the Eurocash Group has more than 50 employees is Poland, so information on the number of employees by country is not presented.

Table 34. Characteristics of the unit's employees - number of employees and turnover rate

Disclosure S1-6	Value
Headcount - women	11 280
Headcount - men	5 111
Total headcount	**16 391**
Number of permanent employees - women	11 280
Number of permanent employees - men	5 111
Total number of permanent employees	**16 391**
Number of temporary employees - women	0
Number of temporary employees - men	0
Total number of temporary employees	**0**
Number of employees who are not guaranteed working hours - women	0
Number of employees who are not guaranteed working hours - men	0
Number of employees who are not guaranteed working hours in total	**0**
Total number of employees	**16 391**

Number of full-time employees - women	11 031
Number of full-time employees - men	5 063
Total number of full-time employees	**16 094**
Number of part-time employees - women	249
Number of part-time employees - men	48
Total number of part-time employees	**297**
Total number of employees	**16 391**

Number of total employees who left the unit during the reporting period	4 836
Employee turnover rate during the reporting period	39,66%

[S1-7]

A total of 1,670 people worked in the Group on contracts other than employment, including 72 people on B2B, 1,027 people provided by temporary employment agencies and 571 people on contract of mandate.

Table 35. Characteristics of non-employees constituting the entity's own employee resources[6]

Disclosure S1-7	Value
Number of persons connected with the unit by contracts for the provision of work ("self-employed persons")	72
Number of people provided by units primarily engaged in "employment-related activities"	1 027
Number of employees hired on the basis of contract of mandate	571
Total number of non-employees	**1 670**

F. Remuneration policy and system

[S1-1]

The remuneration policy in the Eurocash Group was established based on the best market practices, values and strategy of the Group. An important direction in its implementation is to support employee involvement, increase work efficiency and build responsibility for the Group's results. Wanting to take even better care of transparency and consistency of solutions in the organization, while at the same time taking into account diversity and responding to the needs of different employee groups, the Group's remuneration policy was updated in 2023. It shapes solutions on two levels: central - consistent for the entire Eurocash Group, and local, taking into account the specifics of a particular business unit, segment or group of positions.

A fundamental element of the Eurocash Group's compensation policy is the mapping and valuation of positions based on Mercer's international IPE methodology. The position valuation process is transparent and supervised by the Position Valuation Committee, which includes representatives of top management, representing various Group units.

The essence of the remuneration policy at Eurocash Group is the Total Rewards concept, i.e. looking at remuneration in broad terms of the overall value package an employee receives. The framework of the value package for a given position is based on his/her grade and includes not only the remuneration part: fixed salary, variable remuneration such as monthly, quarterly, annual bonus systems, but also a number of other elements. Among them are: benefit packages - taking into account the needs of different employee groups - training and other development methods implemented by the internal training team, external training, conferences, tuition subsidies, culture and appreciation programs, wellbeing and integration activities, picnics, webinars, meetings with experts, flexible work arrangements, or support for employee passions. All these activities build the value of an employee's compensation package. At Eurocash Group, each employee receives an annual Total Rewards summary, which includes information about the value of the compensation package he or she received in a given year.

With an eye on market best practices, the Eurocash Group periodically participates in compensation surveys and, based on these surveys, reviews employee compensation twice a year. Covering such a wide variety of businesses and positions, the Eurocash Group stands out for its high internal consistency ratio of 80 percent for base pay and more than 70 percent for total pay.

[6] Data was reported for the number of employees at the end of the reporting period. In the case of persons provided by units primarily engaged in "employment-related activities," data obtained from external temporary employment agencies.

[S1-2]

The Eurocash Group also undertakes an annual Remuneration Systems Effectiveness Survey, carried out on the basis of internally defined indicators. As part of the survey, the remuneration systems used in the Group are reviewed in terms of: financial indicators, the effectiveness of the systems and their management processes, solutions used in the market, and feedback from employees obtained through an intra-group Employee Opinion Survey.

[S1-8]

People employed at Eurocash have full freedom to form employee groups. The company does not have a collective bargaining agreement with its employees, and there are trade union organizations representing employees in the Eurocash Group.

[S1-10]

All employees are paid adequate wages in accordance with applicable benchmarks ensuring that the needs of the employee and their family are met in light of national economic and social conditions.

[S1-11]

All Group employees are covered by social protection against loss of income caused by any of the following major events, such as illness, occupational accident, acquired disability, parental leave and retirement. Social protection is offered through public programs or voluntary benefits offered by the unit.

[S1-12]

In the Eurocash Group, 3.3% of employees are people with disabilities.

[S1-16]

The Eurocash Group has developed a methodology for examining the gender wage gap in accordance with EU Directive No. 2023/970 of May 10, 2023. There are transparent, clear mechanisms for salary formation in the Group. Mercer's analytical-point method of valuing work is used, which ensures the existence of a mechanism for comparing work for the notion of equal work and work of equal value.

The process of examining the wage gap in the Eurocash Group involves analyzing the pay gap between men and women, taking into account the valuation of positions and business areas.

In this process, the following indicators are examined:

- gender wage gap,
- gender wage gap in the form of complementary or variable components,
- median gender wage gap,
- median gender wage gap in the form of complementary or variable components,
- the percentage of female and male employees receiving supplemental or variable components,
- the percentage of female and male employees in each quartile of salary,
- gender wage gap among employees by category of employee, according to the usual basic hourly or monthly wage and supplemental or variable components.

In 2025, the Eurocash Group plans to internally analyze the results obtained, develop an "adjusted wage gap" model, and adapt the wage gap study to the guidelines of the legislator, who will implement the provisions of the EU Directive on wage disclosure in Poland.

Due to the pending implementation of regulations and the obligation to report the wage gap from 2027, for the time being the Group is able to provide information on the overall wage gap in the Eurocash Group, which is 13 percent.[7] Annual total compensation of the highest-paid individual to the median annual total compensation of all employees (excluding the highest-paid individual) was 38.84."

G. Employee development and education

[S1-1]

The Group has several documents governing strategy and policies in the area of development and education of its own employees:

- Training and Employee Development Strategy at Eurocash Group,
- Career Management Policy,
- EC Group Leadership Policy,
- Eurocash Group's education subsidy rules.

At Eurocash Group, we provide employees with the opportunity to participate in various types of development initiatives aimed at both strengthening the competencies already possessed by employees and acquiring new competencies by employees, which are closely related to the changing needs of the company. Eurocash Group's training and development strategy is closely linked to other policies, in particular the leadership development and career development strategy. It includes a number of key initiatives aimed at effectively developing employees' skills, knowledge and competencies. The planned activities result from the strategic objectives set in the area of training and development as part of the EC25 "We Grow Together" Strategy:

- Development of leadership competencies,
- Creation and implementation of workshops, training and development programs taking into account the needs arising from the following strategies: Diversity and Inclusion, Wellbeing, and Sustainability,
- Developing the competencies of the future,
- Continuation and implementation of workshops, training and development programs.

[S1-4]

In 2024, we pursued our strategy by enabling employees to participate in training:

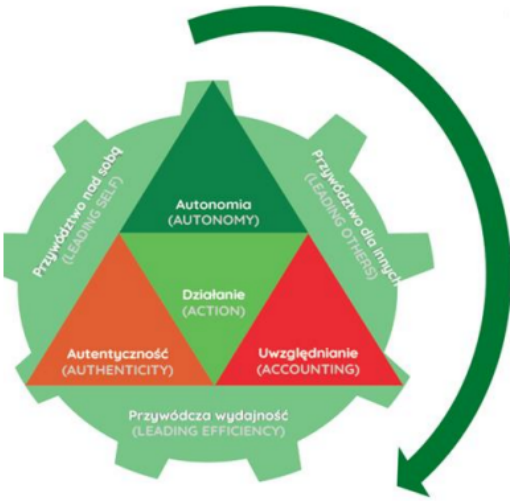
- open internal as part of the "Rozwój w Twoich rękach" Program (27 soft and tool training topics available to all employees and leaders) and specialized training conducted by internal experts,
- group internal (intended for all teams in the various business units of the Eurocash Group),
- external individual and group training (specialized, strengthening professional skills and supporting business efficiency, organized by external providers),
- wellbeing webinars,

[7] The overall wage gap indicator was calculated based on the formula: Women's average basic salary converted to full-time - Men's average basic salary converted to full-time)/ Men's average basic salary converted to full-time

- webinars on managing diversity and building an inclusive work environment,
- induction training for new employees,
- leadership development programs,
- Mentoring Zone program,
- Coaching Zone program,
- subsidies for postgraduate studies/qualification courses/foreign language learning.

Leadership development

At Eurocash Group, we continuously develop the competencies of our leaders to inspire teams to achieve common goals and create an engaging work environment for different groups of employees. The **Leadership and Employee Development** pillar is one of the elements of the HR strategy for 2023-2025, with the main goal of guiding leaders to act in accordance with the highest standards and values of the organization. The leadership model, i.e. the standard of fundamentals and behaviors, developed by graduates of the #LeadUP Leadership Competency Development Program is the core of the leadership policy. It is based on the concept of Leadership Fundamentals, which assumes that three components are responsible for the effectiveness of leaders, regardless of the level occupied in the organization: Leadership of Self, Leadership for Others and Leadership Performance - Business Result Management.



As part of Eurocash Group's long-term leadership strategy, programs are in place:

- **First Time Manager** - a program designed for people taking on managerial positions and those who already hold a position and want to develop their competence as a manager and leader. In 2024, 36 people completed the program, and 19 people started the next edition of the program.
- **The #LeadUp** leadership competency development program for managers. As of 2024, 46 people have completed the program.
- **Mentoring Zone program** - for experienced leaders and directors. In 2024, 7 people completed the program, and 11 joined the next edition.
- **GrowUP**, a leadership competency development program for experienced managers, launched in 2024, which 45 people started.

Stationary and online library

Employees can use the Eurocash Group Library to deepen their knowledge from training and self-development. As of 2024, there were 731 books in the stationary library stock, while the online library database contained 102 items (audiobooks, e-books, video courses).

Coaching Zone Program

The Coaching Zone program is an employee development program that is an integral part of Eurocash Group's leadership development strategy. Its main objective is to support employees in self-definition of goals, identification of barriers and effective pursuit of their aspirations.

Pillars of the program:

- Executive coaching (for senior executives- board members, directors) ,
- Expert coaching (for middle managers-managers, executives),
- Peer coaching (for all employees).

Subsidies for postgraduate studies, courses to improve qualifications, learning foreign languages

The purpose of the subsidy is to ensure a higher level of competence of employees by improving their professional qualifications. At the request of an employee and a legitimate business need, Eurocash Group may subsidize part or all of the costs associated with the studies, course, or language learning program undertaken. The rules for granting the co-financing are regulated in the policy *Rules for co-financing education in the Eurocash Group*.

NPS

[S1-2] [S1-3]

Employees who have taken part in training sessions have the opportunity to provide voluntary feedback through online surveys, which include a set of closed questions as well as open-ended questions. The responses provide guidance for improving the quality and scope of training, provide feedback on the work of trainers, and contribute to expanding the training offerings in future editions. The NPS index in evaluating the usefulness of training and the level of recommending it to other employees (open and internal group training) was 92 in both cases. The index was established as a KPI target in the Sustainability Strategy.

Table 36. Indicators for in-house employee training

Disclosure S1_13	Value
Number of employees who participated in regular performance reviews and career development - women	1 544
Number of employees who participated in regular performance reviews and career development - men	1 179
Total number of employees who participated in regular performance and development reviews	**2 723**

Number of hours of training offered to and completed by employees - women	9 273
Number of hours of training offered to and completed by employees - men	9 262
Total number of hours of training offered to employees and completed by them	**18 535**

H. Health and safety at work

[S1-1]

The Eurocash Group responds to the needs of the employees it works with on the basis of various forms of employment as part of its existing company policy. We feel responsible for them and are aware of the scale of our operations. In doing so, we maintain respect for diversity and human rights without dividing or going beyond the norms of regulations and laws. Within the Group's structures, no distinction is made between employees on the basis of, for example: gender, age, religion or origin, or any other criterion that could constitute a dividing criterion.

The Eurocash Group has certain standards of conduct and policies, which are listed in the sources below:

- Procedure for supervision of health and safety records,
- Procedure for reporting occupational diseases,
- Procedure for reporting accidents,
- Procedure for conducting training,
- Eyeglasses reimbursement procedure,
- Procedure for issuing preventive meals,
- Control schedule - as agreed with the business for 2024.

[S1-5]

Identifying current occupational health and safety needs and then compiling appropriate documentation is a key element in risk and accident management. The 2024 goal of "100% up-to-date documentation" entails maintaining a system of records and regularly updating health and safety-related documents, including, among others, procedures, manuals, regulations and job-specific risk assessments.

- Cyclical revision of documentation: All health and safety documents are regularly reviewed and updated to reflect the current state of the law and changes in the way, technology or organization of work;
- Development and updating of health and safety procedures: All procedures and instructions are continuously developed and updated in response to changing legislation, new technologies, changes in work organization, or based on the results of accident analyses;
- Compliance with standards and laws: the documentation should comply with applicable national and international health and safety regulations and ordinances concerning the protection of employees' health and life;
- Risk analysis: The first step in identifying current needs is a thorough analysis of the risks associated with the job. Conducting regular risk assessments identifies potential hazards and, based on this, determines what documents are needed (e.g., emergency procedures, evacuation plans);
- Updating training programs: If there are changes in legislation and based on the analysis of risks and needs, employee health and safety training programs are updated and adjusted, and additional training is provided, such as practical first aid;

[S1-4]

Eurocash Group's Health and Safety Department operates in 5 key areas:

1. Provision of health and safety procedures and instructions, ongoing monitoring of accident incidents, supervision of occupational risk assessment, supervision of the validity of medical examinations, regular inspections of the health and safety status of units,
2. Periodic safety and health training,
3. First Aid Training,
4. Safe Driving Training,
5. Health and Safety Campaign.

Characteristics of key activities:

1. Provision of health and safety procedures and instructions, ongoing monitoring of accident incidents, supervision of occupational risk assessment, supervision of the validity of medical examinations, regular inspections of the health and safety status of units:
   - Description of scope: regular updating of manuals, procedures and risk assessments, conducting accident investigations and incidents in accordance with the notification received, ensuring the continued fitness for duty testing of all Group employees, conducting health and safety inspections in accordance with the annual inspection schedule.
   - Time perspective: on an ongoing basis, according to notification and/or current schedule.
   - Qualitative and quantitative information: 100% of current documents, post-accident investigations conducted and units inspected.
2. Periodic safety and health training:
   - Scope description: training in accordance with the training regulation for all employees of the employer within the time limits.
   - Time perspective: on an ongoing basis, every 3 years for labor positions, every 5 years for those in charge of employees, every 6 years for administrative and office positions.
   - Qualitative and quantitative information: in 2024, 2,757 laborers, 4,878 employees' managers and 522 administrative and office employees were trained.
3. First Aid Training:
   - Scope description: training 5,000 employees across the Group in practical first aid methods.
   - Time horizon: 3 years; 2023-2025.
   - Qualitative and quantitative information: 2063 people were trained in 2023, 1715 people in 2024.
4. Safe Driving Training:
   - Scope description: Ongoing training of employees with company cars on safety, driving ergonomics and principles of eco-driving and how to provide first aid in the event of a traffic accident.

- Time perspective: organization of training on a continuous basis, min 4 times a month.
- Qualitative and quantitative information: 38 people were trained in 2023, 97 people in 2024.

5. Health and Safety Campaign:
   - Scope description: implementation of periodic activities for employees of all BUs to promote occupational health and safety; contests with prizes, webinars, training, demonstrations.
   - Time perspective: holding an event min once a quarter in different units.
   - Qualitative and quantitative information: activities implemented on an ongoing basis in accordance with the adopted schedule of the Health and Safety Campaign.

The Health and Safety Department carries out its activities through preventive and support activities in the business, i.e.:

- Preventive and post-accident
  - The 5 minutes with health and safety project - videos on screens and talks between supervisors and employees at logistics headquarters,
  - Post-accident recommendations discussed with unit and business managers and supporting departments (e.g., real estate) for implementation,
  - Posters, communication about use (in DC stores and C&C wholesalers) - e.g., slicers, fireworks, wet floors, safe work with cart,
  - Recommendation related to the allocation of work clothing and footwear,
  - Health and safety inspections of units, behavioral audits,
  - Checks on the implementation of recommendations after audits by the insurer and external bodies.
- Aftermath
  - Analysis of reports, review of the most common irregularities and those most risky from a health and safety point of view - presentation to business and unit managers. Support in implementation.
- Training
  - Implementation of periodic occupational health and safety training, initial occupational health and safety training, first aid training, and training for lift trucks, forklifts, specialized lift trucks and mobile platforms,
  - Safe driving training.
- Consultation and design
  - Periodic meetings with the departments: operations, technical, real estate, HR in each business unit,
  - Participation in business and local projects,
  - Recommendation to update the clothing laundry allowance,

- Ongoing advice on occupational health and safety and fire protection for cooperating departments.

– Promotional and Communications

- Health and safety campaign; contests with prizes, webinars, demonstrations, workshops, training,
- Communication of matters related to health and safety in the broadest sense.

Wanting to improve the quality of health and safety at work Health and Safety Department:

– Initiates meetings with operational and support departments to discuss the current situation related to the corrective actions being taken, develop a work schedule and monitor progress,

– Controls the implementation of recommendations after internal and external audits and inspections.

The Health and Safety Department participates in numerous additional projects to improve the quality of cooperation, such as:

– Conducting nationwide Health and Safety Campaigns as a safety promotion,

– Eye examinations and general health examinations of employees in units with the cooperation of external suppliers,

– Work life balance group activities and the possibility of remote work/hybrid work formula,

– Subsidized medical and sports packages,

– It has its own representative - Ambassador in the Group's strategic project "Cooperation in the EC Group" - through which the activities of the Health and Safety Department have become more recognized in the EC Group,

– It has representatives in the DEI project and influences the improvement of the "efficiency" area through leadership in the area,

– Representatives of the health and safety department take part in training in Qualified First Aid, which makes the training much more qualitative and substantive,

– Representatives of the health and safety department take part in training and specialized courses, for example, in the operation of warehouse racks, thereby improving the quality of the proposed preventive and implementation measures,

– Representatives of the Health and Safety Department coordinate nationwide cooperation with service providers in the field of service of fire protection equipment - ordering inspections, monitoring the progress of work, verifying the quality of services,

– The Health and Safety Department coordinates the eyewear reimbursement process at EUROCASH Group - verifying the documentation sent from the units and granting reimbursement.

The Health and Safety Department monitors the results of activities and initiatives by implementing the following processes:

– accident analysis - year/year accident rate study,

– training registry - verification of updates on periodic training in OHS, first aid, forklifts,

- inspection analysis - the Health and Safety Department has implemented an application for inspections so that the results of inspections at individual JBs and BUs can be measured on a year-on-year basis,
- the level of involvement in health and safety areas in the Employee Opinion Survey,
- statuses of individual projects with supporting departments (e.g., real estate) at periodic meetings,
- post-training survey,
- behavioral audit.

The processes by which the Health and Safety Department recommends the implementation of new solutions to improve the quality of health and safety in the Group:

- testing of hazardous, harmful and arduous factors of the work environment;
- health and safety committee, trade unions;
- testing new solutions and work tools;
- employee opinion survey;
- behavioral audit;
- meetings with representatives of cooperating departments;
- protocols, recommendations and audit speeches of external bodies;

Channels for reporting non-compliance in the Eurocash Group from the occupational health and safety perspective:

- helpline for reporting all kinds of violations of labor rights,
- employee opinion survey,
- reporting to representatives of the relevant departments on perceived or reported threats to life, health and property,
- Health and Safety Department functional emails and the company's Service Desk Plus tool.

Communication processes for Occupational Health & Safety & Business Department:

- discussions at periodic meetings with business,
- informing the Business through the intranet platform about structural and regional changes in the EHS department,
- update on the intranet of procedures and instructions,
- in-house communicators.

OHS Department's impact on the green economy and climate quality:

- hybrid work has been implemented in the Health and Safety department, thereby reducing commuting to offices and replacing it with remote work from home,
- safe driving and eco-driving training,

- driving hybrid cars.

In order to reduce accidents, the Health and Safety Department is taking a number of measures to improve the occupational safety of Eurocash Group employees through individual actions and strategies:

- Ensuring safer working conditions by improving the infrastructure of the facilities, using appropriate collective and individual protection measures for employees, and conducting regular health and safety training;
- Raising the awareness of those in charge of employees and the employees themselves about risks and their prevention;
- Regular inspection and maintenance of equipment, so that machines and equipment used in the work process are in good working order, reducing the risk of accidents due to technical causes;
- Promoting accountability through the introduction of procedures, instructions, and enforcement and promotion of compliance with health and safety regulations and policies;
- Ongoing investigation and analysis of occupational accidents and near-misses, as well as maintaining a register of accident and near-miss incidents and a register of occupational diseases to understand their cause and implement appropriate preventive measures.

The above measures help achieve the goal of reducing the accident rate and maintaining zero severe and fatal accidents among employees.

Mandatory health and safety training for all employees is a key objective in ensuring employee safety. All new employees undergo mandatory initial health and safety training consisting of general and position instruction and is conducted by the Health and Safety Department and the immediate supervisor or his/her designee. Periodic OHS training courses are conducted regularly, in accordance with the time period stipulated by the law, and are aimed at regularly reminding employees of OHS rules, rules of conduct in case of accidents and emergencies, hazards at the workplace, and the necessity and manner of first aid. In Eurocash Group, all employees have up-to-date health and safety training, and supervision of the validity of the training is provided by the Health and Safety Department in cooperation with the Human Resources Department and the employees' immediate supervisors. Regular maintenance of training records and monthly summary reports directly impact the maintenance of a high employee training rate.

All employees undergo mandatory preventive medical examinations at occupational health facilities cooperating with the employer. The realization of the goal allows monitoring the health of employees and their ability to perform work in accordance with national regulations. The employer provides the examinations and bears the costs of conducting them, and the Health and Safety Department, together with the Human Resources Department and the employees' immediate supervisors, ensures that they are valid and adapted to the type of risks and the specifics of the workplaces.

Conducting health and safety inspections of the employer's subordinate units is a key element in managing safety in the workplace. The development and implementation of an inspection schedule makes it possible to identify risks in the work environment, assess the effectiveness of preventive measures, ensure compliance with legal regulations, and improve safety culture and awareness among employees. The Health and Safety Department audits units in several areas:

- Inspection of the condition of machinery, equipment, tools and work premises;

- Compliance with health and safety regulations and rules by employees;
- Verification of the condition of lighting, ventilation, temperature, general cleanliness in the workplace;
- Review of documentation related to occupational safety;
- Workstation Ergonomics.

Audits conducted by the Health and Safety Department are systematic, documented and archived, and their results are discussed during meetings with representatives of individual units and businesses. During audits, the Health and Safety Department uses an application specially adapted to the needs of the employer by an external supplier, so that audits of units are standardized and their results are measurable and can be compared in annual analyses of the state of health and safety.

[S1-2]

The Health and Safety Department is a separate unit of the company, reporting directly to the Group Management. Its tasks include continuous cooperation with all business units and central departments of the Eurocash Group. In addition, the Health and Safety Department cooperates with organizational units outside the plant on issues of safety in the broadest sense. The Health and Safety Department is required to feed its knowledge and experience to employees and managers, but also to report non - compliances.

EUROCASH Group collects employees' opinions on occupational health and safety in the Employee Opinion Survey, which can be answered by each employee once a year (example of questions: My supervisor cares about safe working conditions; The company provides safe and hygienic working conditions).

In addition, employees' opinion of occupational health and safety is influenced by the activities of the Health and Safety Department, such as:

- All OHS instructions and procedures, Occupational Risk Assessments and other current OHS events that take place in the Organization are available on company platforms (INTRANET, My Delicatessen) and internal messengers, so that every employee has constant access to information.
- Cyclical meetings of the Health and Safety Department with all units of the Group (stores, wholesalers, logistics centers, support departments and managers), thanks to which the Health and Safety Department has detailed knowledge and knows the needs of employees and the business, so it can realistically influence the health and safety of employees, customers and external partners with its actions.
- Occupational Health and Safety Campaigns - serve to bring the areas of occupational health and safety closer together, demonstrating good work practices while maintaining adequate performance. They raise awareness of the impact of OHS on work and workplaces, and the associated health and safety challenges and opportunities. They also provide a platform for sharing good practices. At Eurocash Group, they are carried out periodically, several times a year.
- EC Connect platform - an internal communication platform. Allows the exchange of experiences and opinions on various work-related areas. The Health and Safety Department regularly posts thematic newsletters.

- Selected employee representatives take part in testing work clothing and footwear, thus influencing the comfort of their own work.
- There are labor unions in the Group's largest companies and employee representatives in the others, who take an active part in negotiations to improve quality and safety at work.

Representatives of the Health and Safety Department periodically meet with managers of the Group's largest business units, reporting on current inspection/training/accident results and identifying and determining preventive actions.

Cooperation with the units is carried out within the framework of:

- Inspection visits
  - smaller in format (i.e., stores, wholesalers, office buildings) - an average of 2 times a year;
  - larger in format (i.e., logistics warehouses) - 1 time per month;
- Training
  - periodic (laborer - once every 3 years, managerial - once every 5 years);
  - first aid (1 every 2 years);
  - forklifts, lifting trucks, specialized trucks, mobile platforms - as required.
- Occupational Health and Safety Campaign:
  - several times a year - competitions, attractions, communications.
- Summary meetings with business unit executives:
  - once a month, once a quarter, once a year - depending on the format and size of the business unit and risks.
- Internal communication channels:
  - group emails, newsletters and others depending on the situation and message.

The people with whom representatives of the Health and Safety Department most often work are those designated by General Managers - most often Regional Operations Directors, Regional Managers, HR and Human Resources, Real Estate Managers. In local units, they are unit managers and employees.

The effectiveness of cooperation in the Health and Safety Department is verified through observation and conversation in daily work, periodic meetings, and the employee's annual evaluation.

[S1-3]

The role of the Health and Safety Department in the event of negative influences against employees is:

- Accident incidents - conducting post-accident investigations and the register of near misses,
- Occupational disease - participation in the process of registration, coordination and indication of the path of action in the case of suspected or confirmed occupational disease as support for the head of the unit and the employee with suspected occupational disease,
- Completing documentation to help an employee obtain employee benefits,
- Support to individuals on broad health and safety issues affecting employees,

- Cooperation with external bodies and preparation of documentation,
- Completing professional interviews.

The Health and Safety Department can be contacted with inquiries and concerns through the following channels:

- in-house platform - service desk plus (inquiries, accidents, training demands, external inspections and others),
- mailing box wypadek@eurocash.pl - accident and potentially hazardous events ,
- by filling out a report form or scan the QR code to report an incident via phone/tablet - accident and near miss incidents,
- register of potentially dangerous events - all events that endanger an employee, but also damage to goods and property; a report to this register can be made by a security employee of the logistics center,
- mailing box szkolenia.bhp@eurocash.pl - training demand,
- mailing box kontrole@eurocash.pl - inspections by external bodies,
- general mailing box of the Health and Safety Department - GRP_BHP@eurocash.pl,
- Hotline for employee dlapracownika@eurocash.pl - all matters related to abuse, acting in violation of labor rights.

Process for handling employee complaints by the Health and Safety Department:

- If employee complaints are reported to the mailbox dlapracownika@eurocash.pl - they are handled by a special unit in the HR department - health and safety issues are most often consulted with the Management of the Health and Safety Department,
- Other complaints that are sent to the Health and Safety Department through the above channels are handled internally, possibly consulted with the business, and then a response is sent to those concerned.

In the Health and Safety Department, Specialists and Managers are assigned to respond in the channels contained above. The Specialist/Manager is required to review the box/platform, respond or redirect the inquiry to other specialists or departments.

The assessment of employees' awareness that channels for reporting health and safety situations exist in the Organization is surveyed and evaluated by the Eurocash Group's Employee Opinion Survey. In addition, the Group's employees receive training related to the processes for reporting abuse and non-compliance, and communications and posters appear.

The Health and Safety Department does not have a procedure for protecting people. The Health and Safety Department creates health and safety instructions / procedures and Occupational Risk Assessments - protecting and indicating risks to employees. The Health and Safety Department coordinates the taking of measurements of the work environment, recording these measurements and indicating preventive measures. In addition, the Health and Safety Department responds to every accidental incident, recommending preventive actions to those managing the unit and the business as a whole.

[S1-14]

The occupational health and safety management system covers more than 18,000 employees. In 2024, the Group recorded 265 accidents, including 63 among non-employees. The employee accident rate was 7.63 as the number of accidents divided by the number of hours worked by employees and multiplied by 1,000,000. The number of hours worked was determined based on the assumption that one person worked 40 hours per week. There were no cases of work-related ill-health among employees and no fatalities among employees' own resources or other employees.

The accident register and its maintenance is carried out on a continuous basis - each time after an incident, the injured person or responsible persons (superiors) are required to report the incident. The register of occupational diseases is kept analogously.

Table 37. Occupational health and safety indicators

Regulation S1-14	Value
Number of employees covered by occupational health and safety management system	16 391
Number of non-employees belonging to the unit's employee resources covered by the occupational health and safety management system	1 670
Total number of own employee resources covered by occupational health and safety management system	**18 061**
Percentage of employees covered by a health and safety management system	100%
Percentage of non-employees belonging to the entity's employee resources covered by the occupational health and safety management system	10%
Percentage of all own employee resources covered by a health and safety management system	100%

Number of work-related accidents of employees	202
Number of accidents of non-employees belonging to the unit's labor resources related to work	63
Total number of work-related accidents	**265**

Number of hours worked by employees	26 480 919
Number of hours worked by non-employees belonging to the unit's employee resources	4 484 925
Total number of hours worked by own employee resources	**30 965 844**

Measure of accidents related to the work of employees	7,63
Measure of work-related accidents of non-employees belonging to the unit's employee resources	14,05
Total measure of work-related accidents of own employee resources	8,56

Number of cases of work-related ill health among employees	0

Number of worker fatalities	0
Number of fatalities among non-employees belonging to the unit's employee resources	0
Number of fatalities among other employees working on the unit's premises	0
Total number of fatalities among own employee resources and other employees	**0**

Number of days lost due to work-related injuries, work-related ill health and worker fatalities	9 285

3.2. Employees in the value chain

[SBM-2]

Sustainability is the foundation of Eurocash Group's operations. We are aware of the impact we have on the environment, which is why we strive to become a leader of sustainable change in the wholesale and retail industry. The Group places great importance on respect for human rights within its own organization and plans to extend these values to its suppliers and other business partners in the value chain. Interviews and a survey were conducted with supplier representatives as part of the materiality study. The Group's impact on upstream employees in the value chain is one important aspect. At the same time, we are aware of the impact we also have on the downstream therefore we plan to work on regulating relations with franchisees by implementing appropriate procedures and a code of ethics because of the wide range of people whose interests, views and rights are important for conducting responsible business.

[SBM-3]

Social and labor affairs are one of our priorities and an integral part of our 2023-2025 business strategy and sustainable development strategy. We have clearly defined development directions for the human dimension including providing employees with the best possible and safe working conditions. Potential and actual influences on the people doing the work in the value chain are cooperation with suppliers with responsible business practices, ethical management and extensive education in the value chain. More information on the goals and impacts that the Group is pursuing and plans to pursue can be found in Chapter 1.4. Group Strategy.

Individuals performing work in the value chain over whom the Group could exert significant influence, including influences related to its own operations and the value chain, also through its products or services, as well as business relationships, include:

- individuals who perform work at the entity's location, but who are not part of the entity's own labor pool, i.e. who are not self-employed or employees provided by temporary employment agencies,
- employees working for upstream entities in the Group's value chain,
- employees working for downstream entities in the Group's value chain.

We note a slight reputational and market opportunity risk associated with exploitation of low-skilled and low-paid workers in sourcing regions where minimal protection is provided. The risk increases with potential media and community backlash and consumer preferences for more ethically sourced or sustainable goods.

The Group has not analyzed the geographic areas or commodities for which there is a significant risk of child labor or forced or compulsory labor of those performing labor in the value chain.

[S2-1]

We are committed to ensuring that employees strictly adhere to a number of policies and procedures for protecting personal information, confidential information and ensuring safe working conditions.



Data protection **policies** and detailing **procedures**:

- Personal data protection policy - describes the general principles of personal data processing in the organization,
- Policy on risk analysis and impact assessment of personal data processing - defines the principles of Privacy by Design assessment, assessment of the likelihood of high risk of violation of the rights and freedoms of individuals and the likelihood of privacy violations,
- Procedure for handling requests from data subjects regarding the exercise of rights related to the processing of personal data - describes the procedure for handling requests from individuals to the Controller, i.e. the respective Eurocash Group company, related to their rights regarding personal data,
- Procedure for Assessment and Notification of Personal Data Protection Breaches - sets out the general rules for the assessment, recording and notification of Personal Data Protection Breaches under the GDPR,
- Policy for the selection of a supplier for processing personal data - specifies how to carry out the process of selecting suppliers to whom the Company entrusts the processing of personal data,
- Eurocash Group data protection transparency policy - principles adopted for the processing of personal data,
- Policy on cooperation with the data protection authority - principles of cooperation,
- Regulations concerning confidential information and the duties of insiders – defines the rules for compliance with the provisions of Regulation (EU) No. 596/2014 of the European Parliament and of the Council of April 16, 2014 on market abuse (MAR) and other legal regulations concerning confidential information within the meaning of the MAR.



Policies

Adopted towards suppliers:

- Code of good practice for suppliers
- Good sustainability practices in Eurocash Group

Human Rights Policy:

- Human rights protection policy in the Eurocash Group

Human rights policy obligations that are relevant to those performing work in the value chain are addressed by the Eurocash Group *Human Rights Policy* described in more detail in Section 3.1.A. Respect for Human Rights.

In its relations with franchisees, the Group has not implemented a code of ethics, which we plan to develop in the near future. This document will be an extension of existing internal procedures aimed at promoting fair, transparent and responsible practices regarding working conditions at our franchisees.

[S2-2]

The Group has not implemented an overall process for engaging with those performing work in the value chain. However, the relevant opinions of those performing work in the value chain may influence the Group's efforts to manage actual and potential influences on such individuals.

Eurocash Group, as the franchise leader on the Polish market, listens to the voice of its franchisees. That's why a Franchisee Council was established, elected every 3 years by democratic vote.



Council of Franchisees in Delikatesy Centrum and Lewiatan chains

It gives opinions on topics and projects, sets perspectives for the future, and its members are a source of invaluable knowledge for each other. Members exchange knowledge and experience in a workplace tool dedicated to them.

The Group attaches great importance to regular quarterly meetings with franchisees. Every year, the Congress of Polish Trade Entrepreneurs is organized by the Eurocash Skills Academy, where investments in franchise networks, technological solutions offered to entrepreneurs and ideas for attracting and keeping customers are presented. In addition, it allows direct relations to be established between network representatives - suppliers - franchisees as participants can actively visit the stands of the event's partners. In addition, franchisees have the opportunity to voluntarily use the educational platform and webinars.

Sales departments responsible for supplier relations not only periodically meet and exchange views on doing business, but also discuss a number of important issues affecting cooperation in the area, among others:

- supply chain: i.e., delivery efficiency, delay reduction, inventory planning,
- market trends - changing customer preferences,
- strengthening cooperation on ESG issues,
- terms of cooperation,
- quality of products and services - reporting problems and suggestions for improvement.

[S2-3]

A breach report can be made by any person who suspects a personal data breach. We make it possible to contact us about personal data issues both by email, telephone and through the website. Reports made by employees in the value chain are treated in the same way as reports from our own employees, with assurances of anonymity and protection. The Group undertakes to provide feedback on the acceptance of submissions.

Any manifestation of disrespect for the principles arising from business ethics will be considered by the appointed team within the framework of *the Procedure for Internal Notifications and Follow-up in Eurocash Group*. Out of concern for the comfort and safety of our employees and business partners, including suppliers and franchisees, we have established an anonymous Helpline. Read more about the available reporting channels in Section 4.2 Whistleblower Protection.

[S2-4]

The Group undertakes a number of activities related to employees in the value chain.

We fulfill our legal obligation to handle the personal information of our customers, employees and business partners appropriately at every stage. We review privacy policies when developing, modifying products and systems. We require suppliers to process personal data only for specific purposes and to use appropriate protection measures.

We use technical and organizational measures appropriate to the risks to ensure the highest standard of personal data protection. Employees and associates who process personal data are required, in particular, to process data in accordance with their authorization and with due diligence, and to participate in organized training on personal data protection.

The established GDPR team conducts mandatory training for new employees, which maintains a validity of 2 years, and periodic refresher training. It also conducts refresher and informational activities in selected business areas through thematic training and publication of articles. Conducts random audits of individual businesses and processors to whom we entrust the processing of personal data, particularly in the event of material violations. Each contractor to be entrusted with the processing of personal data is subject to an assessment prior to cooperation.

The Group pays special attention to the compliance of its processes with data protection regulations. One of the key elements of ensuring compliance is the process risk analysis and qualification of suppliers and franchisees in terms of compliance with data protection regulations. As part of the analysis, we identify threats by determining potential risks resulting from the processing of data by the contractor, assessing their probability and the impact of a data breach on the privacy of individuals. We implement countermeasures in the form of control mechanisms such as data encryption, access policies and security audits. We expect that each supplier or franchisee who processes personal data for the organization should meet specific legal and security requirements. The process of qualifying contractors includes verification of compliance with legal regulations, must undergo an assessment of the processor, sign an entrustment agreement and possibly a further entrustment agreement. The process in which the partner participates must pass a risk analysis for the rights and freedoms of data subjects. Any sharing of data with our partners is always based on a request for data sharing, in which the partner must demonstrate its processing purposes.

In 2024, no company from the Eurocash Group was charged with a fine by the Personal Data Protection Office for violations of personal data processing, nor was any other penalty imposed on it in this respect.

We are working hard to ensure that at least our largest suppliers implement the Code of Good Practices for Suppliers in their operations and pay attention to the Eurocash Group's Good Sustainability Practices. In accordance with the Group's sustainability strategy, we plan to work only with approved suppliers, which is an integral part of supplier registration. The supplier survey conducted included questions with regard to respect for human rights and working conditions.

The Eurocash Group is also taking steps to make sustainability and ethical management an integral part of our business not only internally, but also in our cooperation with franchisees. The final version of the Code of Ethics for franchisees will be based on these foundations, enriched with additional requirements and expectations, tailored to the specifics of the franchise model.

In 2024, there were no serious issues or incidents of human rights violations related to the Group's upstream and downstream value chain.

[S2-5]

Goal-setting process**.** With the above issues related to the establishment of the Franchisee Council in mind, the Group actively participates in substantive cooperation on network development.

In line with its business strategy for 2023-2025, Eurocash Group is developing the Delikatesy Centrum franchise network in version 2.0 with broad participation of franchisees and in a balanced profit-sharing model. Entrepreneurs co-determine new directions of the network's development, and in dedicated working groups participate in shaping key commercial and operational processes.

"We will decide on key areas together. We have been working on the strategy in thematic working groups, which are active all the time, meeting weekly or monthly. These groups and meetings will be maintained. The strategy, which was created with the participation of the network's employees and franchisees, will now be implemented together. This is a change that we realistically feel and believe in its effectiveness." - Renata Naglik, an entrepreneur who sits on the Franchise Council of Delikatesy Centrum.[8]

The objectives regarding cooperation with suppliers will continue on the basis of the adopted *Sustainability Strategy*. They include respecting *the Code of Good Practices for Suppliers* and *Good Sustainability Practices in the Eurocash Group*, which the Group has committed to implement at its key suppliers (accounting for 75% of Eurocash's turnover). The strategic objectives, along with the metrics for achieving them, can be found in Chapter 1.4 Group Strategy.

3.3. Consumers and end users

Quality and safety of products

[S4-1]

Eurocash Group, as a leading wholesale distributor of FMCG products, organizer of franchises and partner systems, as well as a loyal business and technology partner of local stores in Poland, places food safety as one of the priorities of its operations. Being aware that what we offer our customers ends up on the shelves of thousands of stores across Poland and then on the tables of consumers, we take a responsible approach to the processes we conduct. To this end, *a Food Safety Policy* has been implemented, which not only emphasizes the importance of food safety and continuous improvement, but also captures it holistically in the supply chain from field to table. The Policy does not address human rights issues as defined in the UN Guiding Principles, the International Labor Organization's Declaration on Fundamental Principles and Rights at Work or the OECD Guidelines for Multinational Enterprises. In addition, the Sustainability Strategy in Pillar II on Sustainable Product has two KPI targets on quality and safety:

- maintaining the ISO 22,000 standard,
- building a base of suppliers committing to good practices in terms of sustainability[9].

All our commitments, activities and services must be consistently recognized as a model of quality. The safety of the food we offer and the high standard of our services is the basis for the long-term development of the company. Our most important quality criterion is safe food and customer satisfaction.

Safety in the handling of food products is a priority for every employee. We are building a strong work culture that is safe for the products offered, people and the environment. As a priority, we eliminate the sources of any non-compliance in the aspect of product quality.

[S4-4]

Our business is based on the distribution of branded products, where we strive to ensure their availability at competitive prices not only for cooperating chains, but also for smaller entrepreneurs. Working with large suppliers and small local entrepreneurs, we do our best not to affect the quality or safety of the products we offer. We work on the basis of high standards and make sure that already at the stage of supplier approval we verify that conditions are provided to guarantee the safety of

[8] Source: https://www.grupaeurocash.pl/aktualnosci/delikatesy-centrum-ze-strategia-2-0-chca-byc-najbardziej-konsumencka-siecia-franczyzowa-na-rynku-o-kierunkach-rozwoju-zadecydowali-franczyzobiorcy

[9] Read more about the achievement of the KPI target in section 1.4 Group strategy

the products offered. We conduct audits of suppliers. With due diligence, we check qualification forms and certificates held by suppliers.

In 2024, we conducted 477 supplier audits (including 118 suppliers who produce our private labels for us). We conduct audits not only in the supplier approval process, but also as a form of monitoring and evaluation during the course of cooperation. This year, we conducted 68 preliminary audits (related to the implementation of a new supplier), of which 12 audits involved manufacturers for private label.

In addition to the mandatory implemented **HACCP** system, we have also implemented additional **standards** that motivate us to continuously improve:

ISO 22000 - food safety standard, which is implemented at Eurocash S.A., covers the processes of approval and evaluation of suppliers, reception, storage, transportation, hygiene, supervision of nonconformities, validation and verification. It has also been certified since its implementation in 2010.

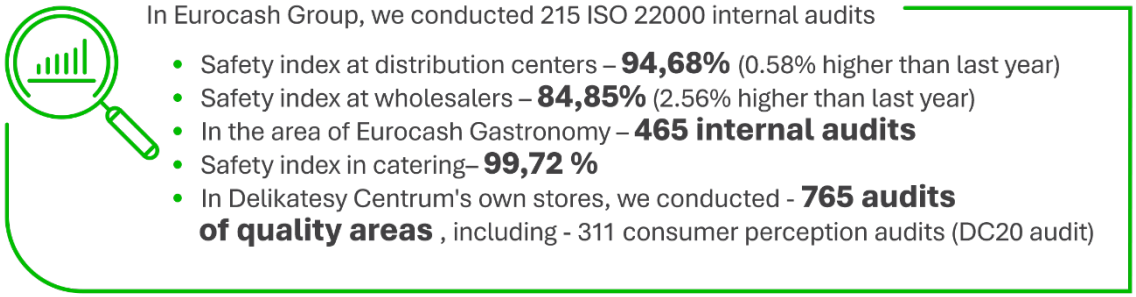
BRC GS S&D – global safety standard for food storage and distribution at Eurocash Gastronomy. System certified on an annual basis in warehouses: Błonie, Sosnowiec and Plewiska.

MSC/ASC Supply Chain – the standard governing the distribution of fish and seafood from sustainable fisheries (MSC) and responsible farming (ASC). Compliance with the standard confirmed by annual audits at warehouses: Błonie, Sosnowiec and Plewiska.

Organic certification – In accordance with the requirements of Regulation (EU) 2018/848 on organic production, we are certified for the marketing, storage and distribution of organic products.

Implemented security systems are subject to internal audits. Information and comments obtained during the internal audit are used to make changes and improvements to the operation of the system.

Wholesalers are audited once a year, while distribution centers and stores are audited on a quarterly basis. Eurocash Gastronomy is covered by additional supervision and audits are conducted here on a monthly basis. Guidelines introduced on the basis of Procedure - P6.2 Quality Management System Audits.



[S4-2]

Based on market research and the expectations of our customers, we have identified the need for products dedicated to them, guaranteeing quality and price, in unique appearances. In order to meet these expectations, our private labels were created, the safety of which is under our special supervision which is defined in the *Private label Implementation Procedure*. These are products that will allow our customers, local stores to stand out and at the same time compete with other chains. Therefore, we place special emphasis on their quality and safety. We want consumers to find products that are safe, that they can reach for in their local store without hesitation.

Working with selected certified suppliers, we ensure that the products offered in private labels are prepared with due care. Already at the stage of product design, we gather information about similar products from the market, the expectations of our customers and consumers. Many times, it is their expectations that inspire the creation of new product lines. To ensure that these very expectations are taken into account, we conduct sensory evaluations and consumer tests. They are a standard process in design, nevertheless we also repeat them during the life of the product, and especially when we receive comments or complaints from the market. Each product is subject to monitoring, we conduct product inspection at the wholesale stage, and we also send them on schedule for laboratory testing.



In 2024, we performed:

- **1624 laboratory tests** of products
- **257 sensory evaluations**
- **31 usability tests**
- **501 batches of products** were evaluated at the wholesaler (at the stage of distribution to the customer)
- **We also verified 1,692 passports**

[S4-3]

Networks have their own channels of communication, most often through websites and apps, and each such complaint is handled individually and does not go unanswered. The rules for reporting complaints are described in the regulations posted on the website, but also at the points of sale made available to consumers. The Group also provides an opportunity to contact it directly through a form on the website or by reporting to the Helpline.

[S4-4]

The measures we take are to ensure that products are in line with consumer expectations, maintain their quality and are safe until the expiration date. We are aware that our direct impact on product safety, as a distributor, is limited to the stage of delivery to the point of sale and the assurance that products from our private label line, will reach our consumers in the best possible condition. In order to ensure proper storage and product display conditions, we organize a series of information campaigns to support local entrepreneurs and their employees.

In the case of product deliveries, we are aware of the importance of agreeing our processes with customers; setting a delivery time and punctuality on our part, and providing people to pick up the goods on the customer's side. This practice not only guarantees the efficiency of the process, but reduces the risk of external factors adversely affecting product quality and safety.

Operating in the wholesale market as a distributor of FMCG products, we noticed a problem with the availability of fresh products. In the first stage it was fresh vegetables and fruits, in subsequent stages meat and fish. This area of our business was created in response to market demand and inquiry from our customers. This is a group of products that are particularly demanding, exhibiting seasonal variability, sensitive and perishable. The project required the involvement of a number of specialists, including technologists, to prepare specifications based on trade standards, and then search for manufacturers and suppliers who could ensure the fluidity of supply and thus the availability of products for our customers. With the characteristic requirement of the products in mind, we have prepared special temperature zones in our warehouses and refined logistics processes. Each batch of fresh products is subject to inspection at the stage of acceptance of delivery to the warehouse. This is carried out by the Quality Control department (verification carried out by people with the authorization of an expert). In order to optimize the process, in justified cases, we have also introduced the possibility of postponing the inspection and we carry it out already at the supplier, directly before shipment to

Eurocash Group. Comprehensive management of goods in the warehouse is regulated in two documents:

- The procedure for receiving goods into the warehouse,
- Storage procedure.

In addition, the Group has introduced regular testing and storage trials[10]. As part of the management review, they are our confirmation of the safety of the product management process. In view of the fact that fresh produce, especially fruits and vegetables, are products whose quality and availability are particularly sensitive to changing weather and climate conditions, to ensure that product quality does not deviate from the market, comparisons with the market are periodically carried out. Such measures allow us to respond to periodic market problems.



Acting in multiple ways, in 2024 the following were evaluated:

- **275063** - batches of products in the fruit and vegetable category
- **124292** - batches of products in the meat category
- **16580** - batches of products in the fish category
- **3186** - batches of products in the flowers category

We have also performed 622 quality inspections at suppliers and 67 local visits by technologists. We also supervise complaints from customers and consumers, and we monitor and analyze the level of complaints on a monthly basis, while actions are taken on an ongoing basis in cooperation with the sales department and suppliers.

Based on accredited external laboratories, 206 product tests were performed, and as part of internal control plans, we conducted storage tests for 1,430 product batches.

Aiming to maintain the highest quality standards, in a process of continuous improvement, we seek confirmation that our activities are effective. As confirmation of their effectiveness, we refer to the results of state inspectorates inspections. In 2024, 234 inspections related to sampling for testing were carried out, of which in 12 cases incompatible results were found for products sampled for testing. As a result, 15 procedures were undertaken to withdraw batches of the product from the market or from circulation, of which 3 cases involved private label products.

In 2024, we conducted 73 batch recall procedures, of which 63 were related to product quality or safety. The recall process in 13 cases involved private labels and in most cases was due to failure to meet quality parameters, and in only one case was it related to improper product labeling.

Data security and compliance with GDPR

[S4-1]

The personal security of consumers and end users in the context of data security and data protection is ensured by an internal Code of Ethical Conduct. We endeavor to ensure that each employee strictly adheres to a series of policies and procedures regarding the protection of personal data and confidential information, especially those obtained through online sales. The policies and procedures made available on the network's website refer to:

- privacy policy - which defines the rules for processing personal data of customers and end users,

[10] As part of the HACCP system, management review is done annually through a report on quality areas.

- cookie policy - governing the use of tracking technologies on the website,
- rules and regulations of the online store - containing key information on the protection of customer data in the context of order processing,
- GDPR procedures - specifying how to exercise customer rights (e.g., the right to erasure, object to processing, access to information),
- instructions for retention periods for personal data,
- procedures for implementing the demands of subjects and their rights,
- violation handling procedures.

[S4-2]

The Group does not have a data security dialogue with consumers and end users.

[S4-3]

We take countermeasures and prevent breaches by periodically updating security systems and privacy policies, training employees on data protection, responding promptly to any reports of potential breaches, and ensuring that customers' rights to delete, limit or amend their processed data can be realized.

[S4-4]

Individual networks monitor website traffic and analyze potential threats. Automated systems protect customer data from unauthorized access. In addition, networks review policies to adapt them to legal and market changes.

We are seeing a positive impact of the policies listed in regulation [S4-1] and activities on customers' personal security. Customer confidence in online shopping is increasing due to transparent data processing policies, effective protection of personal information from unauthorized access, the ability of customers to control their data and marketing consents, and the implementation of privacy and cookie regulations. In addition, an important element influenced by the Group is increasing staff awareness of data protection.

[S4-5]

The Group did not set a goal for improving data security in the Sustainable Development Strategy.

Impact of information - product labeling

[S4-1]

We keep in mind that customers and consumers are important stakeholders for the Group, so we make efforts to ensure their comfort and safety in the use of products. Important in this context is compliance with standards and regulations as well as product quality standards, compliance with which is taken care of by the quality team at Eurocash Group. The Group has implemented *a Food Safety Policy* and procedures governing the taking of action in the event of any non-compliance noted during the distribution process and an approach to managing complaints or returns in a comprehensive manner:

- Procedure: Surveillance of nonconformities,
- Procedure for handling complaints,
- Rules for returns and exchanges of goods and customer complaints,
- General Terms and Conditions of Supply of Products - Private label.

Our most important quality criterion is food safety and customer satisfaction.

[S4-4]

It would not be possible to ensure safe, high-quality products without including the labeling process in the surveillance area, including the provision of origin and traceability information.

Proper product labeling in terms of constantly changing regulations is a challenge. Constant changes in legal regulations require specialized knowledge and regular training. We conduct our activities in two ways, training specialists from the Eurocash Group and cooperating with accredited laboratories.

By verifying the labels of the products we introduce, we ensure that our consumers are not misled by incorrect labeling on the label, and that our customers are not exposed to fines imposed during inspections by inspections directly on entrepreneurs. All food products that we introduce to the market are checked from the aspect of correct labeling.

In the case of products supplied by large manufacturers and production facilities, benefiting, as we do, from cooperation with specialized laboratories, employing specialists with experience and up-to-date knowledge in the field of marking, we have an easier task. This is in contrast to cooperation with small, local entrepreneurs. This is because operating locally, with small production capacity, the cost of consulting or developing labels by an accredited laboratory, or hiring a specialist, is often too expensive. We know from experience that small entrepreneurs prepare labels with due diligence and on the basis of their knowledge, modeling them also on analogous products available on the market, although it happens that they require major changes. In such cases, we support entrepreneurs by conducting verification not only in the form of approval, but by giving them more extensive commentary in this regard and indicating the necessary changes.

Private label products have different product lines developed by us, such as *Kanka*. We take care not only to comply with legal requirements, but also to ensure the legibility of the information provided. In cooperation with suppliers and an accredited laboratory, we refine their detailed passports and design labels that are not only to be attractive to consumers, but are also to provide them with full information that will not only allow them to choose products, from those available on the shelf, according to individual consumer preferences, but also indicate how to properly store and prepare the product so that it retains the highest quality and is safe until the end of its shelf life.

For fresh produce, we are introducing additional requirements related to the use of specific marketing standards for selected groups of fruits and vegetables and origin information for all fresh produce. We take care of proper information on product packaging. The Group has developed operating procedures, including the *Warehouse Receipt Procedure*, and uses the SAP system to assist in ensuring the flow of information - including placement on delivery documents. We ensure the flow of information in the supply chain as a key element so that our customers can deliver properly labeled goods to consumers.

When implementing products, with the aim of selling them at the traditional counter or on the bakery shelf, we take care to provide customers and, further, consumers with full information. Taking care to ensure the availability of information, we prepare data in the system, develop product catalogs that contain the required information including product composition and description, highlighted allergens, information on potential allergens. This database assists our customers, allows consumers to see full information about the products offered.

To assist our entrepreneurs in preparing labels with all the required information, we develop guidelines, manuals and, as part of our Skills Academy activities, we organize training courses and webinars.

In the area of product information and labeling, 29 cases of non-compliance were identified in 2024. 11 of them resulted in the imposition of a penalty by external bodies. The penalties were mainly related to

the failure to display prices and unit prices, the failure to properly mark the promotional price and the lowest price from 30 days before the discount was introduced.

[S4-2]

The most common method of communication is through traders who do business and are in direct contact with consumers. The most common channel for filing complaints is electronic or other traditional communication methods. The Group provides channels for end-users on websites and apps, especially in the area of organized franchise networks, but we are aware that most consumers will report a problem with a product to directly to the trader. The rules for filing complaints are described in the regulations posted on the network's website or app, and also made available to consumers at points of sale.

[S4-3]

All reports are redirected to manufacturers with inquiries about potential reasons for irregularities and corrective actions taken, and in justified cases (especially in private label and fresh product projects), intervention audits are conducted and blocking /recall processes are initiated. In addition, the Group has provided a communication channel through the Helpline, further described in Section 4.2 Whistleblower Protection. Retail chains have communication channels, most often through websites and apps. The rules for reporting any irregularities, objections are described in regulations posted on the website, but also made available to consumers at points of sale. The Group also provides an opportunity for direct contact through a form on the website.

The process by which the organization supports the availability of such channels within its business relationships relates to the submission of complaints and the return of goods. The Group oversees the problems reported and resolved through records of requests. In the Group's view, the available notification channels are visible to consumers and end-users and are a result of the public's awareness of exercising their right to complaint.

[S4-5]

The organization and individual units/departments monitor the number of reports of objections from consumers, collect full information and promptly pass it on to the manufacturer, who, having a direct impact on the product, can make changes in labeling. At the same time, the Group monitors changes in labeling legislation and supervises their implementation by manufacturers. In justified cases, it initiates the process of blocking sales and recalling products.

Social inclusion of consumers

[S4-4]

The Group strives to reach a wide range of consumers through a variety of inclusion strategies. We target various segments of society with products tailored to different needs and preferences, which are extremely diverse and depend on a number of factors, such as age, income, lifestyle and place of residence. We introduce diverse forms of payment, promotions, and tailor offers to the needs of people with different requirements (e.g., the elderly, people with disabilities) as an element of inclusion for a larger group of consumers. We engage in social, educational activities, offering services to access goods online and stationary. Such activities allow us to reach a wide range of customers, including the less affluent or those who previously had limited access to a variety of products.

Today's customers increasingly expect convenience and time savings, so online shopping and home delivery are gaining popularity. Many prefer organic products, healthy food and sustainability, and expect transparency from companies regarding the origin and production of goods. Others, on the other hand,

may find attractive prices, promotions and loyalty programs more important. An important trend is also the growing interest in customized products, such as personalized or specialized ones, which is related to consumers' greater awareness of the quality and variety of offerings. In all these areas, the Eurocash Group is active and in parallel cares about consumer inclusion. To meet this, we have launched the following forms of product availability:

- stationary through an extensive network of tens of thousands of stores,
- online through online stores:
  - Poland's largest chain of liquor stores Duży Ben - almost 2 million customers and 429 stationary stores at the end of December 2024
  - national leader in online grocery shopping Frisco with 70,000 customers per month,
  - Kontigo drugstore - online store and 15 stationary stores liquidated at the end of December 2024.
- ABC na Kołach mobile convenience general stores, which regularly visit customers in the smallest towns where stationary stores are mostly lacking. The chain has 65 vehicles that reach the least urbanized areas.

The expansion of local stores, as the foundation of food distribution in Poland, has been included in the business strategy for 2023 - 2025 and as one of the goals, we are targeting the expansion of an additional 500 net stores per year acquired by the Eurocash Group for franchise and partner networks.

[S4-1]

The Group has not developed a policy related to protecting the rights of consumers and end users, which it will consider introducing in future years.

[S4-2]

Influence cooperation processes with consumers and end-users are carried out through businesses that operate and are in direct contact with consumers. The most common channel for reporting complaints is electronic or other traditional communication methods. The Group strives to provide channels for end users on websites and apps, especially in the area of organized franchises, but we are aware that most consumers will report a problem with a product directly to an entrepreneur.

[S4-3]

Processes for remediating negative impacts and channels for consumers and end-users to report problems are described in Section 4.2. Whistleblower Protection.

[S4-5]

The organization and individual networks, by monitoring reports of objections or development tips from consumers, can take business action to improve product availability, change possible sales forms, or expand inclusion strategies.

Sale of alcohol and tobacco products

[S4-1]

The highest share of turnover in the wholesale and retail sales of the Eurocash Group is accounted for by categories related to alcohol and tobacco products. We are aware that these are products that can have a negative impact on society and health. As a responsible organization, we comply with all legal

regulations related to these areas and exercise care in offering them to customers. To this end, the Group strictly adheres to:

- The Act of October 26, 1982 on Upbringing in Sobriety and Counteracting Alcoholism (i.e., Journal of Laws of 2016, item 487, as amended, hereinafter: "Alcohol Act") concerning the rules of both advertising and promotion and sponsorship of alcoholic beverages,
- The Act of November 9, 1995 on Health Protection from the Consequences of Tobacco and Tobacco Products imposes a number of obligations on the Group.

In order to ensure compliance with the law, the Group has developed and implemented *a Manual of Good Marketing Practices for Alcoholic Beverages in the Eurocash* Group and a Manual *of Good Advertising Practices* applicable to marketing activities undertaken by employees and associates of the Eurocash Group and third parties working on behalf of the Eurocash Group. Both documents define basic concepts, indicate prohibited and permitted activities, and bullet point good practices and examples of marketing activities.

[S4-2]

The Group has not defined influence collaboration processes with consumers and end users.

[S4-3]

We are aware of the potential negative impact of marketing alcohol and alcohol products. The Group is not involved in the remediation of negative impacts to minimize health and social harms resulting from their abuse. Channels for consumers and end-users to report problems are described in more detail in Section 4.2 Whistleblower Protection.

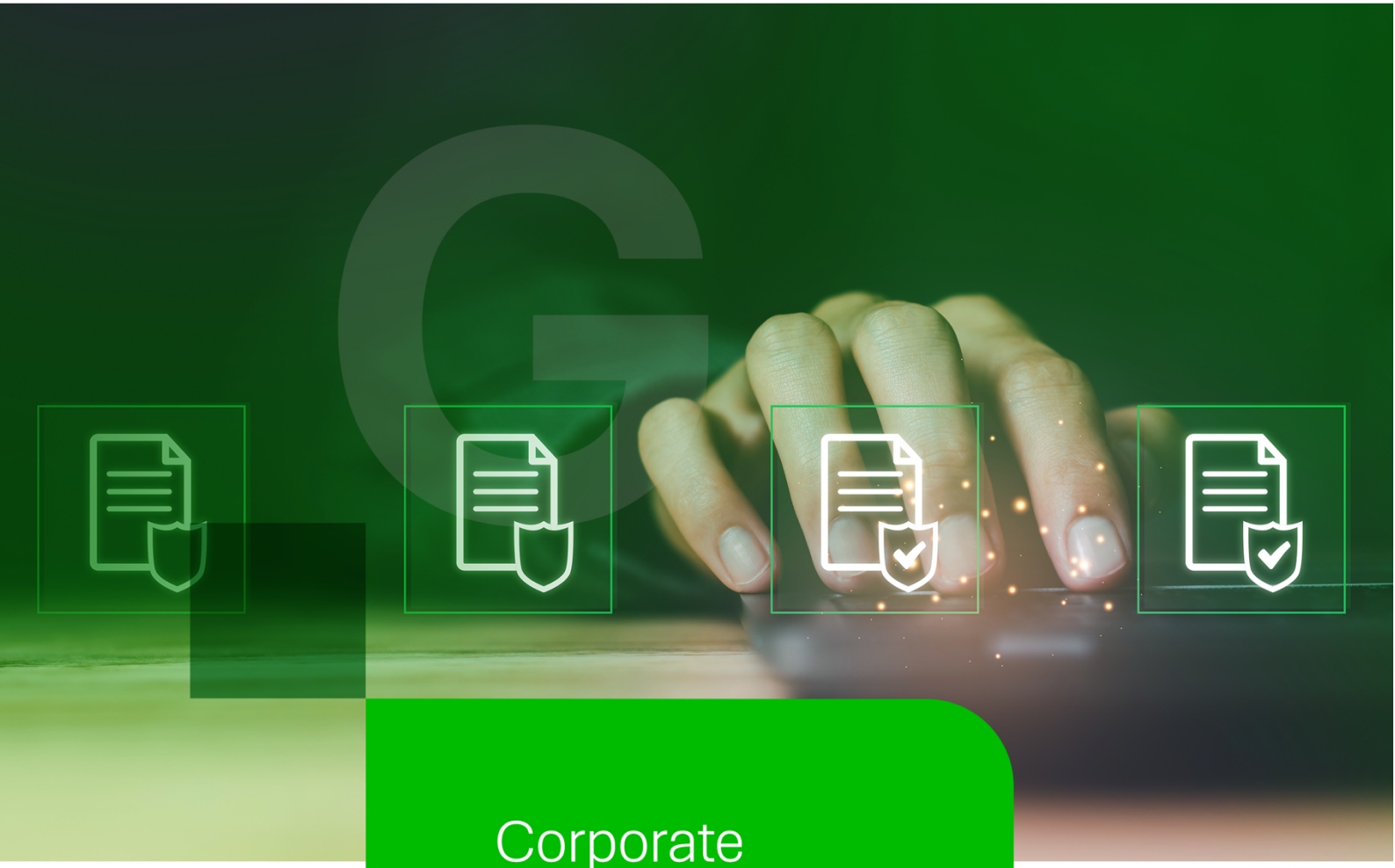
[S4-4]

The Group is taking a number of measures to address significant impacts on consumers and users to reduce the consumption of harmful products, in accordance with statutory regulations:

- we verify the age of customers and do not sell alcohol and cigarettes to people under the age of 18,
- we take care to obtain the appropriate licenses for the sale of alcohol depending on the type of alcohol,
- we do not participate in the process of advertising alcoholic beverages, especially targeting minors,
- we do not participate in the process of sponsoring cultural, sports and other events in relation to the promotion of tobacco products,
- we comply with restrictive regulations allowing alcohol advertising in limited locations,
- we restrict the sale of alcohol during nighttime hours insofar as local regulations dictate,
- regular webinars and training sessions are organized on the rules of conducting promotions and advertising of alcoholic products.

[S4-5]

Goals for managing significant negative impacts, increasing positive impacts, and managing significant risks and significant opportunities have not been set.



Corporate Governance

E S **G**

4. Corporate Governance [G]

4.1. Corporate culture and business practices

[G1-1]

The Eurocash Group has an extensive network of stakeholders for whom we feel responsible - not only in the business context. We are aware of the scale of our operations and our impact on the environment. Being one of the largest employers in Poland, we attach great importance to corporate governance. We operate in accordance with the law, market standards, internal regulations and ethical principles. We are transparent to stakeholders and, as a public entity, also to the market. We have included the ESG area in the Eurocash Group Strategy for 2023-2025 in order to develop our activities in this area even more effectively and regularly improve the company's internal regulations.

The Group establishes the spread of corporate culture through:

- determining the basic directions of action and principles defining the company's mission, vision and values,
- involving senior management to promote the company's values and standards through their behavior and decisions,
- appropriate selection of employees whose beliefs and attitudes are in line with the company's mission and vision which promotes consistency in organizational culture,
- regular training to help employees understand and implement the company's values in their jobs,
- transparent and open communication that fosters trust and commitment among employees and contractors,
- recognizing employees for attitudes in line with company values.

The Eurocash Group has ethical principles that define standards of conduct and key values, compliance with which is one of the cornerstones of corporate governance. These values are listed in a number of sources:

- Code of Ethics and Conduct for Eurocash Group Employees,
- Sustainable Development Policy,
- Conflict of Interest Management Policy,
- Anti-corruption Policy,
- Human Rights Policy,
- Code of good practice for suppliers.

The Group's values are further described in Section 1.4 *Group Strategy*.

The retail chain's ethical principles form the basis for responsible and sustainable management. These values apply to conduct in relations with customers, as well as with employees and suppliers. We expect them to adhere to standards of integrity, transparency and respect for human rights and the environment. Ethics at the Group includes, among other things, anti-fraud, fair competition, attention to the protection of personal data, and ensuring safe and decent working conditions. Our corporate

culture fosters ethical attitudes among employees, creating an environment in which these values will be upheld at every level of the organization.

We have no doubt that applying ethical principles to operations attracts consumers who are aware of the Group's impact on society and the environment. This approach not only builds trust in the brand, but also influences its prospective development, ultimately creating a stable and responsible organization.

We strive for the highest standards not only in terms of the quality of our services, but also in terms of our high organizational culture, which we build on the basis of honesty, transparency and trust. Out of concern for the comfort and safety of our employees and business partners, we are developing a system for signaling irregularities and violations of jointly represented values. The Trust Line created by us is a tool that can be used by anyone who, in cooperation with Eurocash Group, has observed situations contrary to the law, procedures or ethical standards. More about the Helpline in section 4.2 *Whistleblower protection*.

The Group has implemented procedures for the prompt, independent and objective investigation of business conduct incidents, including incidents of corruption and bribery, as discussed in more detail in sections 4.2 Whistleblower protection and 4.3 Anti-Corruption.

Promoting and developing corporate culture is done through:

- Organizing team-building events that build relationships i.e. meetings outside the workplace and celebrating successes together.
- Creating a space for employees to express their opinions or initiatives: through surveys, periodic feedback meetings when goals are set and met, allowing employees to share their ideas and comments.
- Regular training courses that help to understand and implement the company's values in daily work in a modern form using e-learning platforms for training. Workshops, team games or case studies, engage participants and enable practical application of acquired knowledge. In addition, mandatory online training on "Principles of Ethics in Eurocash Group" has been prepared for all employees.
- Giving employees opportunities to lead projects or engage in activities outside of their daily duties which increases a sense of belonging and commitment.

The Group assesses corporate culture through regular employee satisfaction surveys, analysis of engagement indicators, and evaluation of employee turnover and lessons learned.

4.2. Whistleblower protection

[G1-1]

The organizational culture of the Eurocash Group is based on the values of honesty, openness and trust. Any Group employee who observes behavior that is inconsistent with the law, procedures and ethical standards should immediately report such incidents. In particular, this applies to situations involving fraud, corruption, conflict of interest, discrimination, bullying, violation of employee rights, consumer rights or money laundering. The acceptance of reports from whistleblowers until 2024 was in effect under *Regulations for Accepting and Processing Reports of Violations in the Eurocash Group*. In January 2025, the Group updated the reporting procedure bringing it in line with the current provisions of the act on Whistleblowers.

The Group ensures objective analysis of each report. An independent unit within the Risk Management and Sustainability Department is responsible for the process of reviewing reports. All whistleblowers are guaranteed absolute confidentiality of data and the opportunity to remain anonymous. Every employee, contractor, business partner and all persons performing any activities for and on behalf of Eurocash S.A., subsidiaries and affiliates of the Eurocash Group in a situation where they observe or suspect misconduct, have the opportunity to report the problem to the Helpline through available channels.



Notification channels

Email *linia zaufania@eurocash.pl*
Application form at *www.grupaeurocash.pl/formularz-sygnalista*
By phone at 61 646 57 57 from Monday to Friday, from 8:00 am to 4:00 pm
By regular mail with a note: Linia Zaufania adress: Punkt ds. Przyjmowania Zgłoszeń Grupy Eurocash; ul. Wiśniowa 11; 62-052 Komorniki

The Risk Management and Sustainability Department, as an independent organizational unit, ensures the impartiality and independent evaluation of incoming reports, cooperating with other organizational units and business units in their resolution. The cooperating organizational units and business units are required to verify the report with due diligence, maintain the whistleblower's anonymity if they reserve it, confidentiality of data, protection of personal data and protection of the whistleblower.

The Eurocash Group provides protection against repressive, retaliatory, discriminatory or other types of unfair treatment that may result from such reporting.

The Group has not implemented a formal mechanism for reporting information about its negative impact on external stakeholders, but as an organization it is open to all information about such situations. Stakeholders have the opportunity to communicate by email.

The analysis and status of all legitimate reports are presented to the Group's Management Board on a continuous basis based on a review of the restricted reports. In 2024, the Group received 125 reports of potential irregularities. All of them were verified, and 38 of them were confirmed. The Group made recommendations to human resources departments responsible for deciding whether to implement corrective programs or, as a last resort, terminate the employment relationship. For more information on the figures, see Section 3.1 B. Reporting concerns and irregularities, regulation [S-17].

In the reporting year, training courses and webinars were posted on the Eurocash Skills Academy educational platform to raise awareness among employees, under the title:

- Anti-harassment and discrimination - mandatory training for managers,
- Reporting channels for whistleblowers in the Eurocash Group - voluntary webinar,
- Anti-bullying and anti-discrimination policies and support for diversity in the Eurocash Group - voluntary webinar,
- The whistleblower: once a whistleblower, now a valued employee - voluntary webinar.

More educational campaigns are planned as part of the new procedure.

4.3. Anti-Corruption

[G1-3] The Group's *Anti-corruption Policy* has been developed in compliance with the law, the standards of the compliance management system, the whistleblower protection system for companies listed on the Warsaw Stock Exchange and the ISO 37001:2016 standards. The purpose of this policy is to define standards for actions addressed to employees, co-workers, management, contractors, business partners and persons performing any activities on behalf of and for the Eurocash Group.

The second document governing the adamant policy on anti-corruption and bribery is the *Code of Ethics and Conduct for Eurocash Group employees*.

[G1-1] The corruption risk assessment carried out in the Group identified an increased corruption risk in purchasing, including in particular non-commercial purchases. In response, the Group has implemented higher standards for tendering and verification of bidders - potential suppliers, as well as mechanisms to prevent conflicts of interest and control mechanisms in the supplier selection process. All business units of the Group are assessed for corruption risks on a cyclical basis every two years. The following significant corruption risks have been identified in the Group:

- risk of conflict of interest,
- risk of obtaining a personal benefit (property, non-property) as a result of the choice of supplier,
- failure to conduct tenders for non-commercial contracts resulting in inflated costs of service delivery,
- risk of biased one-person supplier selection decisions,
- lack of "second hand" control,
- lack of automation in the process of selecting non-commercial suppliers.

The compliance department conducted a webinar related to anti-corruption and bribery topics for employees entitled *Anti-Corruption Policy and Conflict of Interest Management in the Eurocash Group* for employees, including those in positions at risk, prior to the reporting period. The Group plans to repeat the training in 2025 and will additionally consider including it in the list of mandatory training for newly hired employees.

Disclosure G1-3-21b	Value
Number of people performing risk-exposed roles	66
Number of people performing risk-exposed roles covered by training programs during the reporting period	0
Percentage of people in the organization with performing risk-exposed roles and covered by training programs during the reporting period	0%

The Eurocash Group does not have a dedicated procedure for prompt, independent and objective investigation of incidents of business conduct, including incidents of corruption and bribery. Nevertheless, there is *an Anti-Corruption Policy* in place in the organization, which details prohibited behavior in this regard. Each incident reported by a whistleblower regarding corruption or bribery is individually analyzed and dealt with according to an internally developed method. The Group plans to revise its Anti-Corruption Policy in the next reporting year. There is a separate unit in the Group that handles the investigation or work of the investigation committee. It is separate from the chain of management structures involved in the case, which ensures the independence and objectivity of the

investigation process. The Group has not developed a procedure for reporting the results of the investigation to administrative, management and supervisory bodies.

[G1-4]

There were no prosecutions against the Group for violations of anti-corruption and anti-bribery laws in 2024. There were no convictions or fines for violations of anti-corruption laws and anti-bribery laws.

4.4. Managing relationships with suppliers and franchisees

SUPPLIERS

[G1-2]

In an effort to gather information on key environmental, social and corporate governance processes carried out by its business partners, Eurocash Group has prepared two documents presenting its commitment and values in the area of sustainability. These are the Code of Good Practices for Suppliers and the Good Practices for Sustainable Development in the Eurocash Group. They systematize the requirements the Group places on suppliers. The documents have been provided to key suppliers in the form of recommendations for implementation. Implementation of the code promotes responsibility in the value chain. In the coming years, we plan to strengthen the due diligence process and consider describing and implementing a supplier audit procedure. This process will be part of the oversight of the implementation of socially acceptable principles at suppliers who have adopted the Code and at the same time performed due diligence.

In particular, the minimum standards for business relations are based on international guidelines and principles:

- The International Bill of Human Rights, developed on the basis of the Universal Declaration of Human Rights adopted by the UN General Assembly in 1948, taking into account the International Covenant on Civil and Political Rights and its two protocols and the International Covenant on Economic, Social and Cultural Rights;
- Declaration of Fundamental Principles and Rights at Work of the International Labor Organization (ILO) and its eight fundamental conventions;
- Directive on corporate sustainability due diligence;
- Ten principles of the United Nations Global Compact - United Nations Global Compact (UNGC);
- Convention on the Rights of the Child;
- UN Convention on the Elimination of All Forms of Discrimination against Women;
- OECD Guidelines for Multinational Enterprises;
- International Labor Organization (ILO) labor standards;
- ISO 37001:2016 Management systems for anti-corruption activities;
- ISO 37002:2021 Management systems for whistleblowing.

In our relations, we comply with national and international generally applicable laws. We comply with the Best Practices of Companies Listed on the Warsaw Stock Exchange 2021 and the Standards recommended for the compliance management system in the field of counteracting corruption and the

whistleblower protection system in companies listed on markets organized by the Warsaw Stock Exchange S.A. We also comply with professional standards appropriate for the industry we represent.

Our contractors are expected to be guided in their business dealings by principles derived from business ethics, in accordance with implemented principles of ethical conduct. The Group builds long-term relationships with trusted suppliers who meet the requirements of the highest quality of products and services provided. Non-commercial suppliers are selected on the basis of competitive bidding or tenders. Commercial suppliers are selected from a group of reputable companies to which the Group proposes to implement the Code of Good Practices for Suppliers. For local products, one of the selection criteria is the location of the potential supplier's facilities.

We require absolute respect for human rights. Suppliers are expected to take action to protect human rights in emergency situations, such as humanitarian crises, and to combat discrimination and intolerance.

The use by suppliers of any form of forced labor, human trafficking, as well as child labor under 15 years of age and prison labor, with the exception of rehabilitation programs, attitudes and behavior that may lead to discrimination, violation of the principles of respect for elementary moral norms is not tolerated. With regard to our contractors, we demand that in their actions they be guided by the principles of equal treatment and the prevention of all forms of discrimination, and ensure fair pay and equal treatment of women and men, respect for human dignity.

Equal opportunities are expected to be provided to all employees, regardless of gender or age, disability, marital status, parenthood, ethnic, national or social origin, sexual orientation, religious beliefs, political or union affiliation. Suppliers should create equal opportunities for access to professional development and advancement of their employees, as well as respect the right to rest in accordance with the law. An important aspect of cooperation is the possibility of providing jobs for people with different levels of physical fitness, and being active on the labor market for people with disabilities. The type and place of work should be organized in accordance with legal requirements and the individual needs of the employee. Duties should be assigned with respect for people with disabilities, who, due to health restrictions, should work in reduced working hours and with additional leave. We emphasize the compliance of our business partners with international regulations and standards in the field of protecting the rights of children and minors.

Suppliers are expected to take measures to prevent violence, harassment, discrimination and unequal treatment in employment, to treat employees equally in the establishment and termination of the employment relationship, terms and conditions of employment, promotion and access to training to improve professional skills. So that the mutual relationship between employer and employee is based on trust, in accordance with the law. It is extremely important that the contractor ensure compliance with the norms of labor law and occupational health and safety. Behavior and negligence that may threaten the safety and health of employees, co-workers and customers is not accepted. Suppliers are expected to be prepared for the occurrence of hazards or emergencies related to the nature of the business.

Important aspects of cooperation with suppliers include ensuring the highest level of application of the principles of transparency and transparency of business transactions and counteracting corruption. Corrupt behavior is contrary to the adopted principle of conducting responsible business, based on compliance with the law, transparency and honesty. We do not accept the use of antitrust practices, failure to comply with the requirements of counteracting money laundering and terrorism financing. We require suppliers to make every effort to ensure that the personal data they process is properly protected.

Suppliers are obliged to implement and apply environmental protection measures. In particular, water efficiency, wastewater and waste management and circular economy. It is important for contractors to

carry out activities that prevent food waste, excessive noise emissions and soil pollution, as well as support biodiversity.

We expect our contractors to comply with and require their subcontractors throughout the supply chain to take action to ensure full protection of animals and respect their welfare, recognizing that "animals are sentient beings."

An important step in supplier relations is the identification of risks and opportunities associated in the area of supplier relations. The most significant risks involving issues related to suppliers and business partners are those that can result in:

- disruptions in supply chains,
- loss of liquidity,
- loss of credibility and negative public perception,
- additional costs to be incurred as a result of late payments or settlements,
- loss of business partners.

On the other hand, opportunities related to supplier and business partner activities are related to transparent and partner relationships with suppliers, broader product offerings, more attractive payment terms, a flexible and uninterrupted supply chain, and a positive image in the banking and investment sector.

FRANCHISEES

Support for the development of entrepreneurs

Eurocash Group is committed to business development through:

- modern technologies - including eurocash.pl, Innovative Trading Platform, EuroPlatform, POS,
- business support - including private labels, Razem Taniej shopping platform,
- marketing support - including promotional newsletters, consumer activations,
- financial support - including factoring and payment platforms,
- education - including the Eurocash Skills Academy,
- negotiating fair deals from suppliers - including the Equality in Business Ranking.

Elements of the entrepreneurial development process:

1. choice of the form of cooperation: franchise, partner and agency networks,
2. access to necessary tools,
3. education and skills development.

The Eurocash Group offers a wide range of retail solutions and concepts to local store owners. This allows any entrepreneur who wants to start cooperating with the Group to choose the right model of cooperation within a franchise, partner or agency network. In addition, Eurocash provides customers with the development of their competence through the Eurocash Skills Academy programs and marketing support - from attractive promotional tools to long-term loyalty programs. Each new entrepreneur can count on help from the moment they decide to start cooperating with the Group and full support throughout.

Eurocash provides customers with access to various distribution formats, a choice of retail concepts, shopping scale, and tools for development and education. The Group has been supporting innovation and business development of local entrepreneurs for almost 30 years, as well as providing them with education and knowledge in the area of sustainability, among other things.

The tools offered by Eurocash Group to support business development:

- eurocash.pl
- Innovative Trading Platform (IPH).
- POS system
- Fresh Project
- Own brands
- Equality in Business Ranking
- Razem Taniej shopping platform
- Marketing support for all networks
- Network loyalty programs
- Payment platform for franchisees
- Skills Academy
- Eurocash Group blog - current advice for local store owners.

Companies and brands that focus on sustainability and conscientiously implement these values enjoy greater trust among customers and consumers. This translates into higher sales, positive shopper experiences and building shopper loyalty. Eurocash Group has decided to support entrepreneurs running franchise and partner stores in ESG as well. To this end, a new educational area "Sustainability in Your Store" was created on the Skills Academy website, from which visitors can learn what sustainability really is and what actions can be taken to run a responsible business. The content in the resulting best practices database is grouped into five thematic areas: Sustainable business, Responsible sales: regulations and laws, Energy-efficient store, No food waste, Waste management.

Entering into agreements with franchisees

Concluding agreements with franchisees is a key stage of cooperation between a franchisor and an entrepreneur who wants to do business under a recognizable brand. A franchise agreement precisely defines the rights and obligations of both parties, regulating trademark licensing, operating standards and fees. A carefully drafted contract minimizes the risk of disputes and provides clear rules for the operation of the franchise network, which promotes long-term, stable cooperation. In addition, franchise or agency agreements regulate the purchase of products, management of the product range, use of operating systems and obligations to comply with brand standards. They usually include information on the minimum period of cooperation and the terms of renewal or termination. An important reference is to the operations manual, which is a set of operating procedures under the agreement.

Eurocash allows franchisees to tailor assortments and promotions to the specific needs of local markets. Franchisees have a certain level of flexibility in running their business, which allows them to better respond to the expectations of local customers.

4.5. Payment practices

Payments

[G1-6]

The Eurocash Group in 2019 implemented payment practices on the basis of *the Procedure for Circulation and Acceptance of Documents and Verification of Suppliers*. Several subsidiaries that are not yet subject to the procedure, due to the smaller scale of their operations, have developed their own long-standing payment practices. The overall goal of the policy is to organize the document circulation system to ensure timely transfer of financial documents to accounting, care for formal and substantive compliance and adaptation of accounting documentation to the requirements of separate regulations. The Group takes great care to pay its obligations on time, which translates into an honest approach to cooperation with our business partners and minimizing the risks associated with the imposition of charges resulting from late payments.

[G1-2]

An important element of *the Procedure for Circulation and Acceptance of Documents and Verification of Suppliers* is the standardization of payment terms depending on the method of distribution of documents and the prevention of payment bottlenecks including the protection of small, medium and micro entrepreneurs ("SMEs"). Faced with the SME sector, the range of payment terms in depending on the company in the Group and the nature of the business is 14 to 39 days on average. For suppliers classified as Large suppliers, the range of payment terms is on average between 15 and 90 days.

Table 30. Payments to suppliers

Disclosure G1-6 point 33	Value
The average time it takes to pay an invoice from the start date of the payment deadline calculation, in number of days	29 days
Total number of documents	2 569 473
Number of payments in line with standard payment terms	2 370 610
Payment percentage compliant to standard payment terms	92%

The Group allows contractors to send accounting documents through four channels, while requiring the shortest possible payment terms and complying with regulations protecting SMEs, and presents acceptance patterns in relation to the type of obligations and the method of delivery of documents:

- Automatic electronic data exchange - EDI system,
- Electronic document flow in PDF,
- Documents in paper form, scanned in the office department,
- Self-invoicing.

Payments are processed daily, except for exceptions. In addition, we provide counterparties with access to up-to-date knowledge of ongoing transfers via payment advices, which reduces settlement time and ensures settlement compliance.

The treasury department periodically monitors the level of financial risk and ensures financial security of payments by providing sufficient financial resources to meet current payment obligations and anticipates future financial needs. In addition, it maintains relationships with banks and other financial

institutions in order to negotiate favorable credit terms, set credit limits and optimize costs related to the company's financial services.

[G1-1]

The Group has not implemented policies for in-house training on payment relationships with suppliers. Concerned about payment security, the Group provided all employees with the opportunity to take a general course entitled "False Invoices and Attacks on Payment Processes," available in online form at the Eurocash Skills Academy.

Payment practices

In the area of settling obligations to commercial and non-commercial suppliers, the average time to settle an invoice was 29 days. The Group made an expert decision and did not take into account intra-group transactions, payments to authorities and adjustment invoices. The calculated value is a weighted average of payment days, taking into account the weight of the number of documents in each company. Payment term was shown as the number of days between the document date on the invoice and payment. Documents financed under factoring were taken into account according to the date of financing. The number of invoices paid on time in 2024 was 92%. The Group makes every effort to prevent unnecessary delays and eliminate the risk of violations to contractors.

As of the reporting date, the Group has no pending litigation in connection with delays in payment due to negligence or cases in which we recognize the plaintiffs' claims as valid in principle. The only litigation is of a contentious nature, in which we dispute plaintiffs' claims either in principle or in amount.

Supplier violations

The President of the Office of Competition and Consumer Protection (OCCP) issued a decision on November 30, 2021, stating that Eurocash S.A. had committed the practice of unfairly exploiting its contractual advantage by charging suppliers of agri-food products for services that are not performed for them or that are performed, but about which the suppliers are not informed, including their costs and results. Thus, he imposed a fine of more than PLN 76 million on the company. Eurocash S.A. does not agree with the position of the Chairman of the OCCP, and therefore appealed the decision to the Court of Competition and Consumer Protection (CCCP) on December 30, 2021. On February 19, 2024, the Court of Competition and Consumer Protection overturned in its entirety the decision of the Office of Competition Protection to impose a PLN 76 million fine on Eurocash. Thus, the Court of Competition and Consumer Protection shared the Company's position on the aforementioned decision of the President of the OCCP. In June 2024, the Chairman of the OCCP filed an appeal challenging the judgement in its entirety. In July 2024, the Company filed a response to the appeal. Given the appeal against the CCCP's judgment, the outcome of the case will depend on the decision of the Court of Appeal in Warsaw. According to the Company's best knowledge, the proceedings before the Court of Appeal in Warsaw may last at least a dozen or so months.

In 2024, the company cooperated with the Office on an ongoing basis, providing timely responses to a number of other inquiries made by the President of the OCCP as part of its investigations and FMCG market research.

5. Appendix

This 2024 Eurocash Group Sustainability Report has been approved by the Management Board of Eurocash S.A.

SIGNATURES OF THE MANAGEMENT BOARD MEMBERS

Position	Name and surname	Date	Signature
President of the Management Board	Paweł Surówka	2 April 2025	
Management Board Member, Human Resources Director	Katarzyna Kopaczewska	2 April 2025	
Management Board Member, Financial Director	Piotr Nowjalis	2 April 2025	
Management Board Member	Tomasz Polański	2 April 2025	
Management Board Member	Dariusz Stolarczyk	2 April 2025	
Management Board Member	Szymon Mitoraj	2 April 2025	
Management Board Member	Marcin Celejowski	2 April 2025	

Part

C

Selected consolidated financial data

SELECTED CONSOLIDATED FINANCIAL DATA

	for the period from 01.01.2024 to 31.12.2024 PLN	for the period from 01.01.2023 to 31.12.2023 PLN	for the period from 01.01.2024 to 31.12.2024 EUR	for the period from 01.01.2023 to 31.12.2023 EUR
Sales	32 241 140 372	32 451 962 545	7 486 796 482	7 143 289 136
Operating profit (loss)	284 554 090	435 994 202	66 077 023	95 970 549
Profit (loss) before income tax	35 484 943	194 996 311	8 240 048	42 922 366
Profit (loss) for the on continued operations	3 841 227	144 722 043	891 981	31 856 052
Profit (loss) for the period	3 841 227	144 722 043	891 981	31 856 052
Net cash from operating activities	1 014 230 173	1 138 703 961	235 516 945	250 650 223
Net cash used in investing activities	(193 138 346)	(175 266 895)	(44 849 142)	(38 579 550)
Net cash used in financing activities	(651 016 407)	(867 477 469)	(151 174 161)	(190 948 155)
Net change in cash and cash equivalents	170 075 420	95 959 597	39 493 642	21 122 517
Weighted average number of shares	139 163 286	139 163 286	139 163 286	139 163 286
Weighted average diluted number of shares	139 163 286	139 758 006	139 163 286	139 758 006
EPS (in PLN / EUR)	-0,19	0,71	-0,04	0,16
Diluted EPS (in PLN / EUR)	-0,19	0,71	-0,04	0,16
Average PLN / EUR rate*			4,3064	4,5430

	as at 31.12.2024 PLN	as at 31.12.2023 PLN	as at 31.12.2024 EUR	as at 31.12.2023 EUR
Assets	9 159 385 976	9 056 279 053	2 143 549 257	2 082 860 868
Non-current liabilities	2 046 393 633	2 147 171 379	478 912 622	493 829 664
Current liabilities	6 250 524 446	5 989 644 233	1 462 795 330	1 377 563 071
Equity	862 467 897	919 463 441	201 841 305	211 468 133
Share capital	139 163 286	139 163 286	32 568 052	32 006 276
Number of shares	139 163 286	139 163 286	139 163 286	139 163 286
Diluted number of shares	139 163 286	139 758 006	139 163 286	139 758 006
Book value per share (in PLN / EUR)	5,30	5,75	1,24	1,32
Diluted book value per share (in PLN / EUR)	5,30	5,72	1,24	1,32
Dividends paid (in PLN / EUR)	125 595 549	61 678 363	29 392 827	14 185 456
Dividends paid per share (in PLN / EUR)	0,90	0,44	0,21	0,10
PLN / EUR rate at the end of the period**			4,2730	4,3480

* Profit and loss items and cash flow items calculated on basis at a weighted average rate announced by the National Bank of Poland for 4Q 2024 YTD.

** Balance sheet items and book value per share have been converted using the official mid-rates announced by the National Bank of Poland prevailing on the balance sheet date.

Part D

Independent auditor's report

Independent Auditor's Report on Annual Consolidated Financial Statements

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For the Shareholders of Eurocash S.A.

Report on the Annual Consolidated Financial Statements

Opinion

We have audited the annual consolidated financial statements of the Group (the Group), in which the parent entity is Eurocash S.A. (the Parent) with its registered office in Komorniki at 11 Wiśniowa Street, which comprise the general information, consolidated income statement for the period from January 1, 2024 to December 31, 2024, consolidated statement of comprehensive income for the period from January 1, 2024 to December 31, 2024, consolidated statement of financial position as at December 31, 2024, consolidated statement of cash flows for the period from January 1, 2024 to December 31,2024, consolidated statement of changes in equity for the period from January 1, 2024 to December 31, 2024 and notes to the consolidated statement financial statements prepared for the period from January 1 2024 to December 31, 2024, comprising material accounting policy information and other explanatory notes.

In our opinion, the accompanying annual consolidated financial statements:

- give a true and fair view of the financial position of the Group as of December 31, 2024 and of its financial performance and of its cash flows for the financial year then ended in accordance with the International Accounting Standards, International Financial Reporting Standards and related interpretations published in the form of European Commission regulations and adopted accounting principles (policy),
- comply with the laws affecting the content and form of the annual consolidated financial statements and the provisions of the Parent's articles of association.

Grant Thornton Polska Prosta spółka akcyjna. Audit Firm No. 4055.
Management Board: Tomasz Wróblewski – President of the Board, Dariusz Bednarski – Vice-President of the Board, Jan Letkiewicz – Vice-President of the Board.
Registered office address: ul. Abpa Antoniego Baraniaka 88 E, 61-131 Poznań, Poland. Tax identification number NIP: 782-25-45-999. REGON: 302021882. Bank account: 31 1090 1476 0000 0001 3554 7340. District Court Poznań – Nowe Miasto i Wilda in Poznań, 8th Commercial Division of the National Court Register, KRS No. 0001002477.

The audit opinion is consistent with the additional report to the Audit Committee submitted on the same day as this audit report.

Basis for Opinion

We conducted our audit in accordance with:

- the Act of May 11, 2017 on statutory auditors, audit firms, and public supervision (the Act on Statutory Auditors),
- National Standards on Auditing in the wording of International Standards on Auditing adopted by resolutions of the National Council of Statutory Auditors and the Council of Polish Agency for Audit Oversight (NSA) and
- Regulation (EU) No. 537/2014 of the European Parliament and of the Council of April 16, 2014 on specific requirements regarding statutory audit of public-interest entities and repealing Commission Decision 2005/909/EC (the Regulation 537/2014).

Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Annual Consolidated Financial Statements* section of our report.
We are independent of the entities comprising the Group in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants* (including *International Independence Standards*) (IESBA Code) adopted by the National Council of Statutory Auditors' resolution together with the ethical requirements that are relevant to our audit of the financial statements in Poland. In particular, in conducting the audit the Key Audit Partner and the Audit Firm remained independent of the entities comprising the Group in accordance with the provisions of the Act on Statutory Auditors and the Regulation 537/2014. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the annual consolidated financial statements of the current period. They include the most significant assessed risks of material misstatement, including assessed risk of material misstatement due to fraud. These matters were addressed in the context of the audit of the annual consolidated financial statements as a whole, and in forming the auditor's opinion thereon. Below, we provided a summary of our response to those risks and where relevant, key observations arising with those risks. We do not provide a separate opinion on these matters.

Sales revenues, recognition of bonuses, discounts and related receivables

Description

The sales revenues of the Group in 2024 amounted to PLN 32,241 mln.

The revenue measurement determinants such as estimation of volume-based discounts, incentives and rebates, as well as assessment of potential returns, transfer of risks and rewards and determination whether the particular Company from the Group acts as an agent or principal - are considered to be complex.

The Group's disclosures regarding the recognition of revenue are set out in sections 2.1.5. "Judgments, estimates and assumptions" of general information, 2.2.19 "Trade receivables and other short-term receivables", 2.2.28 "Revenue from sales" of accounting policies and in notes No 13 "Trade receivables and other receivables" and 25 "Sales revenues generated during the reporting period" in the financial statements.

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Auditor's response

Audit procedures performed in this area included, among others:

- Obtaining an understanding and review of the Group's accounting policy in relation to the recognition of revenues and revenue related estimates and assessing compliance of those policies with applicable accounting standards,
- Obtaining an understanding of the Group's internal controls over identification and measurement of contractually agreed obligations,
- Tests of controls in retail segment and wholesale segment,
- Tests of controls of bonuses and discounts system,
- Detailed tests,
- Verification of the Management's estimates concerning liabilities for rebates and returns,
- Reconciliation between General Ledger and reporting system (Oracle) performed using Computer Assisted Audit Techniques,
- Analytical procedures on expected credit loss of receivables.

Going concern basis – liquidity risk analysis

Description

Consolidated financial statements were prepared on the assumption that the Parent Company and the Group companies would continue as going concern in the foreseeable future, for a period of at least 12 months from the end of the reporting period.

Given the importance of liquidity and going concern basis and the fact that management's assessment of going concern involves making judgements, plans and forward-looking assumptions, we considered this to be a key audit matter.

The Group's disclosures regarding the going concern are set out in sections 2.1.8. "Going concern" of general information and in note No 34 " Financial risk management" in the financial statements.

Auditor's response

Audit procedures performed in this area included, among others:

- Obtaining an understanding of the analysis carried out by the Management Board; inquiring the Management Board about assumptions used,
- Obtaining of an understanding, verifying and discussing with the Management Board of the Parent Company the liquidity model prepared by the Board with assistance of an external advisor. Our procedures were performed with the support of Grant Thornton's internal specialists,
- Reading terms of loan agreements and of agreements for open credit and factoring lines; verifying the amounts of financing available to the Group,
- Considering whether the assessment made by the Management Board of the Parent Company takes into account all material information that we have obtained as a result of the audit until the date of our audit opinion,
- Discussing with the Management Board of the Parent Company possible subsequent events that could materially affect and modify the going concern assumption and obtaining relevant written statements,
- Assessing the adequacy of disclosures related to the liquidity of the Group and the going concern basis included in the consolidated financial statements.

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Goodwill

Description

The goodwill recognised in the consolidated financial statements is PLN 2,091 mln.

The risk in this area is a potential impairment of goodwill caused by the failure to achieve expected financial results by the cash-generating unit to which goodwill has been allocated. The Management Board of the Parent Company carried out annual impairment tests of goodwill. The tests showed no impairment.

We consider the assessment of impairment to be a key audit matter due to the significant element of judgment, in particular regarding the assumptions made in the discounted cash flow model. These assumptions significantly affect the estimation of cash-generating units' value in use.

The Group's disclosures regarding recognition and measurement of goodwill are set out in sections 2.1.5. "Judgments, estimates and assumptions" of general information, 2.2.6 "Intangible assets", 2.2.22 "Impairment" of accounting policies and in notes No 3 "Goodwill and intangible assets" and 6 "Analysis of indication of potential impairment of assets" in the financial statements.

Auditor's response

Audit procedures performed in this area included, among others:

- Obtaining an understanding and analysis of the processes in the Group regarding the recognition of goodwill, as well as accounting policy concerning goodwill recognition and testing for impairment,
- Obtaining an understanding and analysis of the process of identification by the Management Board of the indicators of impairment of goodwill,
- Analysis of the methodology and arithmetic correctness of the model used for 2024 financial statements to determine the value in use of cash flow generating units,
- Verifying the Management Board's assumptions regarding financial forecasts used in financial models,
- Analysis of the economic performance in 2024 in comparison with the forecast values in 2023 test for impairment,
- Analysis of discount rates changes,
- Analysis of the sensitivity of the impairment test to the discount rates and growth rates volatility.

Tax risk – Uncertain tax positions

Description

Companies of Eurocash Group take part in multiple transactions which may be subject to audit by tax authorities. These include related-party transactions, such as purchase/ sale of trade goods, restructuring within the Eurocash Group, purchase of shares and intangible assets such as goodwill and trademarks.

Interpretation of settlements between related parties by external bodies (including tax authorities) may differ from the interpretation adopted by the Management Board.

The Group's disclosures regarding the uncertain tax positions are set out in sections 2.1.5. "Judgments, estimates and assumptions" of general information, 2.2.33 "Uncertain tax treatment" of accounting policies and in note No 23 "Income tax" in the financial statements.

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Auditor's response

Audit procedures performed in this area included, among others:

- Obtaining an understanding of current status of disputes with tax authorities concerning prior periods (including CIT and VAT),
- Using our tax specialist to assist us in the evaluation of the Management's judgments in light of the tax law as well as current practice and legal interpretations,
- Analysis of the Group's external advisors' opinions concerning abovementioned cases,
- Testing of the measurement of provisions concerning the tax cases,
- Inquiring of the key management about the areas identified as the most exposed to the risk and about the safety measures implemented in these areas,
- Assessing the adequacy of disclosures related to the uncertain tax positions included in the consolidated financial statements.

Compliance risk & legal matters

Description

The companies of the Group conduct multiple activities and are qualified as "large entities" in legal terms which makes them subject to numerous regulatory requirements.

Taking this into account, the interpretation of the Group's legal obligations made by external authorities (including tax authorities), may differ from interpretation adopted by Management Board. In 2021, antimonopoly office conducted an investigation, after which it issued a decision of November 30, 2021 on the Group's violation of the provisions of the Act on counteracting the unfair use of contractual advantage in trading in agricultural and food products and imposed a fine on the Parent Company. The Parent Company appealed the decision on December 30, 2021. On February 19, 2024, the Court of antimonopoly office pronounced the sentence reversing the appealed decision. In June 2024, the President of the Office of Competition and Consumer Protection filed an appeal challenging the judgment in its entirety. In July 2024, the Company filed a response to the appeal. Given the appeal against the judgment of the Office of Competition and Consumer Protection, the outcome of the case will depend on the decision of the Court of Appeal in Warsaw. To the best of the Company's knowledge, the proceedings before the Court of Appeal in Warsaw may last at least a dozen or so months.

The Group's disclosures regarding the Group's compliance with law and regulations are set out in section 2.1.5. "Judgments, estimates and assumptions" of general information and in note No 32 "Data concerning items not included in the statements of financial position" in the consolidated financial statements.

Auditor's response

Audit procedures performed in this area included, among others:

- Obtaining an understanding of current status of disputes with antimonopoly office,
- Analysing the Parent Company's external advisors' opinions concerning abovementioned case,
- Testing of the measurement of provisions,
- Assessing the adequacy of disclosures related to the legal matters included in the consolidated financial statements.

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Leasing - International Financial Reporting Standard 16

Description

The carrying amount of right-of-use assets presented in the consolidated financial statements is PLN 1,928 mln.

Recognition of leases in accordance with IFRS 16 requires an analysis of contracts, a number of judgments and estimates related to determining whether a contract is within the scope of IFRS 16 and how it should be recognised in accordance with the Standard.
The Group's disclosures regarding the recognition of leases are set out in sections 2.1.5. "Judgments, estimates and assumptions" of general information, 2.2.8 "Lease", 2.2.9 "Right-of-use assets" of accounting policies and in notes No 5 "Right-of-use assets" and 22 "Lease liabilities" in the consolidated financial statements.

Auditor's response

Audit procedures performed in this area included, among others:

- Obtaining an understanding and assessment of the policy adopted by the Management Board in the area of identifying lease contracts according to IFRS 16,
- Obtaining an understanding of the data collection system and contract records that had been implemented by the Group to ensure appropriate lease recognition,
- Obtaining an understanding of the lease contract calculation tool (MyLease),
- Test of details based on data from MyLease tool,
- Comparison of the amounts entered in the consolidated financial statements with the calculations provided in the MyLease tool.

Responsibilities of Management Board and Supervisory Board of the Parent for the Annual Consolidated Financial Statements

The Management Board of the Parent is responsible for the preparation of these annual consolidated financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Group in accordance with the International Accounting Standards, International Financial Reporting Standards and related interpretations published in the form of European Commission regulations, adopted accounting principles (policy), legal regulations, and the Parent's articles of association. The Management Board of the Parent is also responsible for such internal control as the Management Board determines is necessary to enable the preparation of annual consolidated financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the annual consolidated financial statements, the Management Board of the Parent is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management Board of the Parent either intends to liquidate the Group or to cease the operations, or has no realistic alternative but to do so.

In accordance with the Accounting Act of September 29, 1994 (the Accounting Act), the Management Board and the Supervisory Board of the Parent are obliged to assure compliance of the annual consolidated financial statements with the requirements of the Accounting Act. The Supervisory Board of the Parent is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Annual Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the annual consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an

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audit conducted in accordance with NSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual consolidated financial statements.

The scope of the audit does not include assurance on the future viability of the Group or on the efficiency or effectiveness with which the Management Board of the Parent has conducted or will conduct the affairs of the Group.

As part of an audit in accordance with NSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management Board of the Parent.
- Conclude on the appropriateness of the Management Board of the Parent's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual consolidated financial statements, including the disclosures, and whether the annual consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the annual consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Supervisory Board of the Parent regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Supervisory Board of the Parent with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From matters communicated with the Supervisory Board of the Parent, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that the matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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Other Information including the Report on the Group's operations

The other information comprises the Report on the Group's operations for the financial year ended December 31, 2024, the Corporate Governance Statement and the Sustainability Reporting which are separate parts of the Report on the Group's operations and the Annual Report for the year ended December 31, 2024 (but does not include the consolidated financial statements and our auditor's report thereon).

Responsibilities of the Management Board and the Supervisory Board of the Parent

The Management Board of the Parent is responsible for the preparation of the other information in accordance with the Accounting Act and other legal regulations. The Management Board and the Supervisory Board of the Parent are obliged to assure compliance of the Report on the Group's operations with the requirements of the Accounting Act.

Responsibilities of the Auditor

Our opinion on the annual consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon that results from NSAs. In connection with our audit of the annual consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether it is materially inconsistent with the annual consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report regarding the Other Information.

Additionally, according to the Act on Statutory Auditors, our responsibility is to express an opinion on whether the Report on the Group's operations, insofar as it does not concern the Sustainability Reporting, has been prepared in accordance with legal regulations and whether information included therein is consistent with the accompanying annual consolidated financial statements. Moreover, we are obliged to express an opinion on whether the Parent included the required information in the Corporate Governance Statement.

Opinion on the Report on the Group's operations

In our opinion, the Report on the Group's operations, insofar as it does not concern the Sustainability Reporting, has been prepared in accordance with the applicable legal regulations, i.e. Article 55 clause 2a of the Accounting Act and Paragraph 71 of the Regulation of the Minister of Finance of March 29, 2018 on current and periodic information disclosed by issuers of securities and the conditions for recognition as equivalent of the information required by law of a non-member state (the Regulation on current and periodic information), and information included therein is consistent with the accompanying annual consolidated financial statements. Moreover, taking into account our knowledge of the Group and its environment obtained during the audit of the annual consolidated financial statements, we state that we have not identified any material misstatements in the Report on the Group's operations, insofar as it does not concern the Sustainability Reporting.

Information on the Sustainability Reporting and the assurance thereof

The Sustainability Reporting of the Group, presented as a separate part of the Report on the Group's operations and disclosed in chapter 8 of this report, is subject to a separate assurance engagement conducted by our audit firm and by the same key audit partner who conducted the audit of the consolidated financial statements.

Opinion on the Corporate Governance Statement

In our opinion, the Corporate Governance Statement includes the information required by Paragraph 70 clause 6 point 5 of the Regulation on current and periodic information. The information specified in Paragraph 70

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clause 6 point 5 letters c-f, h and i of the Regulation on current and periodic information included in the Corporate Governance Statement complies with applicable regulations and is consistent with the information included in the annual consolidated financial statements.

Report on Other Legal and Regulatory Requirements

Opinion on the compliance of marking up of the consolidated financial statements prepared in a single electronic reporting format with the requirements of the regulation on technical standards on the specification of a single electronic reporting format

In connection with the audit of the annual consolidated financial statements, we have been engaged to perform a reasonable assurance engagement to express an opinion on whether the annual consolidated financial statements of the Group as at and for the year ended December 31, 2024, prepared in a single electronic reporting format contained in the file named *Eurocash-2024-12-31-0-PL.zip* (consolidated financial statements in the ESEF format) have been marked up in accordance with the requirements set out in the Commission Delegated Regulation (EU) 2019/815 of December 17, 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards on the specification of a single electronic reporting format (ESEF Regulation).

Identification of the criteria and description of the subject matter of the engagement

The consolidated financial statements in the ESEF format were prepared by the Management Board of the Parent in order to meet the marking requirements and technical requirements for the specification of a single electronic reporting format, as set out in the ESEF Regulation.
The subject matter of our assurance engagement is to verify the compliance of marking up of the consolidated financial statements in the ESEF format with the requirements of the ESEF Regulation, and we believe that the requirements set out in the regulations form appropriate criteria for expressing our opinion.

Responsibility of the Parent's Management Board and Supervisory Board

The preparation of consolidated financial statements in the ESEF format in accordance with the marking requirements and technical requirements for the specification of a single electronic reporting format, as set out in the ESEF Regulation, is the responsibility of the Parent's Management Board. The responsibility includes the selection and application of appropriate XBRL markups with the use of the taxonomy defined in those regulations.
The responsibility of the Parent's Management Board also includes the design, implementation and maintenance of an internal control system to ensure the preparation of consolidated financial statements in the ESEF format free from material non-conformities with the requirements of the ESEF Regulation.
Members of the Parent's Supervisory Board are responsible for overseeing the financial reporting process, including the preparation of financial statements in accordance with the format resulting from applicable laws.

Auditor's Responsibility

Our objective was to express an opinion, on the basis of a reasonable assurance engagement, whether the consolidated financial statements in the ESEF format have been marked up in accordance with the requirements of the ESEF Regulation.
We performed the engagement in accordance with National Standard for Assurance Engagements other than Audits or Reviews 3001PL *Audit of Financial Statements Prepared in a Single Electronic Reporting Format*, which was adopted by resolution of the National Council of Statutory Auditors (NSAE 3001PL) and, where relevant, in accordance with National Standard for Assurance Engagements other than Audits or Reviews 3000 (R) in the wording of International Standard on Assurance Engagements (ISAE) 3000 (revised) *Assurance Engagements other than Audits or Reviews of Historical Financial Information*, which was adopted by resolution of the National Council of Statutory Auditors (NSAE 3000 (R)).

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The standard imposes on a statutory auditor an obligation to plan and perform procedures in such a manner as to obtain reasonable assurance that consolidated financial statements in the ESEF format have been prepared in accordance with the specified criteria. Reasonable assurance means a high level of assurance, but it does not guarantee that an engagement performed in accordance with NSAE 3001PL and, where relevant, in accordance with NSAE 3000 (R), would always detect an existing material misstatement.
The selection of the procedure depends on the statutory auditor's judgement, including their estimation of the risks of material misstatement, whether due to fraud or error. When assessing the risk, the statutory auditor considers internal control associated with the preparation of consolidated financial statements in the ESEF format in order to plan the relevant procedures which are to provide the auditor with sufficient and appropriate evidence. The assessment of the functioning of the internal control system was not conducted for the purpose of expressing an opinion on the effectiveness of its functioning.

Summary of the work performed

The procedures planned and performed by us included, among others:

- obtaining an understanding of the process of preparation of consolidated financial statements in the ESEF format, covering the process of the Parent's Management Board's selection and application of XBRL markups and ensuring compliance with the ESEF Regulation, including understanding of the internal control system mechanisms related to the process;
- reconciliation of the marked up information contained in the consolidated financial statements in the ESEF format with the audited annual consolidated financial statements;
- assessment of compliance with technical standards on the specification of a single electronic reporting format, including the application of the XHTML format, using specialist IT tools;
- assessment of the completeness of marking of information in the consolidated financial statements in the ESEF format with XBRL markups;
- assessment whether the XBRL markups from the taxonomy defined in the ESEF Regulation have been properly applied and whether extension taxonomies have been used in situations where the core taxonomy specified in the ESEF Regulation has not identified the relevant elements;
- assessment whether the applied extension taxonomies have been properly anchored in the core taxonomy defined in the ESEF Regulation.

We believe that the evidence we have obtained provides sufficient and appropriate basis for us to express an opinion on the compliance of marking up with the requirements of ESEF Regulation.

Ethical requirements, including independence

In performing the engagement, the statutory auditor and the audit firm complied with the independence requirements and other ethical requirements set out in the IESBA Code. The IESBA Code is based on fundamental principles relating to integrity, objectivity, professional competencies and due diligence, confidentiality and professional conduct. We also complied with other independence and ethics requirements that apply to this assurance engagement in Poland.

Quality management requirements

The audit firm applies national quality control standards in the wording adopted by resolution of the Council of the Polish Audit Oversight Agency, which requires the audit firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Opinion on the compliance with the requirements of ESEF Regulation

The statutory auditor's opinion is based on the matters described above, therefore, the opinion should be read in consideration of these matters.
In our opinion, the consolidated financial statements in the ESEF format have been marked up, in all material respects, in accordance with the requirements of the ESEF Regulation.

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Statement on non-audit services

To the best of our knowledge and belief we confirm that we have not provided non-audit services prohibited in accordance with the provisions of Article 136 of the Act on Statutory Auditors and Article 5 clause 1 of the Regulation 537/2014.

Appointment of the Audit Firm

We were appointed to audit the annual consolidated financial statements of the Group for the years 2024 and 2025 by the Parent's Supervisory Board's resolution of March 21, 2024. We have been auditors of the Company since the financial year ended December 31, 2022, i.e. for 3 consecutive financial years. We were appointed for two-year periods: for the years 2022 and 2023 and 2024 and 2025.

Jan Letkiewicz

Statutory Auditor No. 9530
Key Audit Partner performing the audit on behalf of
Grant Thornton Polska Prosta spółka akcyjna,
Poznań, ul. Abpa Antoniego Baraniaka 88 E, Audit Firm No. 4055

Poznań, April 2, 2025

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Independent Auditor's Limited Assurance Report on the Sustainability Reporting

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For the General Shareholders' Meeting and the Supervisory Board of Eurocash Spółka Akcyjna

Opinion

We have performed a limited assurance engagement on the sustainability reporting of the Group (the Group), in which the parent entity is Eurocash Spółka Akcyjna (the Parent) prepared as at December 31, 2024 and for the period from January 1, 2024 to December 31, 2024, included in a separate section of the report on the Group's operations included in chapter 8 titled Eurocash Group Sustainability Report for 2024 (Sustainability Reporting).

Based on the assurance procedures we have performed and evidence we have obtained, nothing has come to our attention that causes us to believe that:

- the accompanying Sustainability Reporting is not compliant, in all material respects, with the requirements of Chapter 6c of the Accounting Act of September 29, 1994 (the Accounting Act), including the European Sustainability Reporting Standards (ESRS),
- the materiality assessment process conducted by the Group to identify information included in the Sustainability Reporting (the Materiality Assessment Process) is not compliant, in all material respects, with the ESRS,
- the accompanying Sustainability Reporting is not compliant, in all material respects, with the reporting requirements set out in Article 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council of June 18, 2020 on the establishment of a framework to facilitate sustainable investment, amending Regulation (EU) 2019/2088.

Basis for opinion

We conducted our engagement in accordance with the National Standard on Assurance Engagements for Sustainability Reporting 3002PL *Limited Assurance Engagement on the Sustainability Reporting* adopted by resolution of the National Council of Statutory Auditors (NSAE 3002PL) and, where appropriate, with the National Standard on Assurance Engagements Other than Audits or Reviews 3000 (R) in the wording of International Standard on Assurance Engagements 3000 (R) *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, adopted by resolution of the National Council of Statutory Auditors (NSAE 3000 (R)).

Grant Thornton Polska Prosta spółka akcyjna. Audit Firm No. 4055.
Management Board: Tomasz Wróblewski – President of the Board, Dariusz Bednarski – Vice-President of the Board, Jan Letkiewicz – Vice-President of the Board.
Registered office address: ul. Abpa Antoniego Baraniaka 88 E, 61-131 Poznań, Poland. Tax identification number NIP: 782-25-45-999. REGON: 302021882. Bank account: 31 1090 1476 0000 0001 3554 7340. District Court Poznań – Nowe Miasto i Wilda in Poznań, 8th Commercial Division of the National Court Register, KRS No. 0001002477.

The level of assurance obtained in a limited assurance engagement is substantially lower than in a reasonable assurance engagement because the procedures performed by the auditor for the sustainability reporting assurance engagement in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement.

Our responsibility under those standards is further described in the *Auditor's responsibility for sustainability reporting assurance* section of our report. We are independent of the entities comprising the Group in accordance with the International Ethics Standards Board for Accountants' *Handbook of the International Code of Ethics for Professional Accountants* (including *International Independence Standards*) (IESBA Code) adopted by the National Council of Statutory Auditors' resolution as the principles of professional ethics for statutory auditors that apply to assurance engagements and with the independence requirements specified in the Act of May 11, 2017 on Statutory Auditors, Audit Firms and Public Oversight (the Act on Statutory Auditors) and in Regulation (EU) No. 537/2014 of the European Parliament and of the Council of April 16, 2014 on specific requirements regarding statutory audit of public-interest entities and repealing Commission Decision 2005/909/EC (the Regulation 537/2014). Moreover, we have fulfilled our other ethical obligations in accordance with these requirements and the IESBA Code.

The audit firm applies the Act on Statutory Auditors and the National Standard on Quality Control 1 in the wording of the International Standard on Quality Management (PL) 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements* adopted by resolution of the Council of the Polish Agency for Audit Oversight, which requires the audit firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our limited assurance opinion.

Responsibilities of Management Board and Supervisory Board of the Parent for the Sustainability Reporting

The Management Board of the Parent is responsible for:

- preparing the Sustainability Reporting in accordance with Chapter 6c of the Accounting Act, including the ESRS,
- conducting the Materiality Assessment Process in accordance with the ESRS,
- preparing the Sustainability Reporting in accordance with Article 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council of June 18, 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088,
- designing, implementing and maintaining such internal control as the Management Board determines is necessary to enable the preparation of Sustainability Reporting in accordance with Chapter 6c of the Accounting Act, including the ESRS and Article 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council of June 18, 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088, that is free from material misstatement, whether due to fraud or error,

including the Management Board of the Parent being responsible for designing and implementing the Materiality Assessment Process and for presenting this process in the Sustainability Reporting. This responsibility includes, among others:

- understanding the context in which the Group's business activities and relationships take place, as well as understanding of its affected stakeholders,
- identifying actual and potential impacts (both negative and positive) related to sustainability matters, as well as risks and opportunities that affect, or can reasonably be expected to affect, the entity's financial position, financial performance, cash flows, access to finance or cost of capital in the short, medium or long term,

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- assessing the materiality of identified impacts, risks and opportunities related to sustainability matters by selecting and applying appropriate thresholds and
- making assumptions that are reasonable in the circumstances.

The Management Board of the Parent is also responsible for selecting and applying appropriate methods for reporting sustainability matters and determining estimates or preparing forward-looking information in individual disclosures in the Sustainability Reporting that are reasonable in the circumstances. The members of the Supervisory Board of the Parent are responsible for overseeing the Group's Sustainability Reporting process.

Inherent limitations in the preparation of the Sustainability Reporting and measurement and evaluation of related issues

There are inherent limitations regarding the measurement or evaluation of the Sustainability Reporting subject to limited assurance engagement, which are presented below.

- When reporting forward-looking information in accordance with the ESRS, the Management Board of the Parent is required to prepare forward-looking information based on disclosed assumptions about events that may occur in the future and on possible future actions of the Group. The actual outcome may be different because anticipated events often do not occur as expected.
- In determining the disclosures in the Sustainability Reporting, the Management Board of the Parent interprets undefined legal terms and other concepts that may be interpreted in different ways, including compliance of their interpretation with the law, and are therefore subject to uncertainty.
- Where applicable, as indicated in the Group's disclosures regarding Disclosure in relation to specific circumstances BP-2 and ESRS E1 Climate change, greenhouse gas emissions quantification is subject to significant, inherent measurement uncertainty resulting from both scientific and estimation uncertainty.

Auditor's responsibility for the assurance of the Sustainability Reporting

Our objectives are to plan and perform the assurance engagement on sustainability reporting in such a manner as to obtain limited assurance that the Sustainability Reporting is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report on sustainability reporting containing our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of this Sustainability Reporting.

As part of a limited assurance engagement on sustainability reporting conducted in accordance with NSAE 3002PL, we exercise professional judgment and maintain professional skepticism throughout the engagement.

Our responsibility in respect to the Sustainability Reporting in relation to the Materiality Assessment Process includes:

- obtaining an understanding of the Materiality Assessment Process solely for the purpose of assessing its compliance with the ESRS, and not for the purpose of expressing an opinion on the effectiveness of this process, including its outcome,
- designing and performing procedures to evaluate whether the Materiality Assessment Process is consistent with the description of the Materiality Assessment Process presented in the Sustainability Reporting.

Our other responsibilities with respect to the Sustainability Reporting include:

- obtaining an understanding of the entity's control environment, processes and information systems relevant to the preparation of the Sustainability Reporting, but not evaluating the design of specific controls, nor obtaining evidence about their implementation or testing the operating effectiveness of those controls,

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- identifying disclosures in which material misstatements are likely to arise, whether due to fraud or error,
- designing and performing procedures on disclosures in the Sustainability Reporting in which material misstatements are likely to arise. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Our opinion on the Sustainability Reporting does not cover other information accompanying the Sustainability Reporting and our assurance report, or containing them, nor information contained in the Sustainability Reporting that is not subject to assurance.

Summary of the work performed

A limited assurance engagement on sustainability reporting involves performing procedures to obtain evidence about the Sustainability Reporting. The nature, timing and extent of procedures selected depend on professional judgment, including the identification of disclosures in the Sustainability Reporting in which material misstatements are likely to arise, whether due to fraud or error.

In conducting our limited assurance engagement on the Sustainability Reporting, we performed the following procedures:

- we obtained an understanding of the Materiality Assessment Process by:
  - performing inquiries to understand the sources of the information used by the Management Board, such as stakeholder engagement, business plans and strategy documents,
  - familiarising ourselves with the documentation provided to us in this regard,
- we checked whether the results of the Materiality Assessment Process were properly included in the Sustainability Reporting,
- we obtained an understanding of the reporting process relevant to the preparation of the Sustainability Reporting by understanding of the Group's control environment, processes, and information system relevant to the preparation of the Sustainability Reporting, but not for the purpose of expressing an opinion on the effectiveness of the internal control,
- we evaluated whether the information identified by the Materiality Assessment Process is included in the Sustainability Reporting,
- we evaluated whether the structure and the presentation of the Sustainability Reporting is in accordance with the ESRS;
- we performed inquiries of the Parent's employees responsible for the preparation of the Sustainability Reporting,
- we performed substantive assurance procedures on selected information in the Sustainability Reporting,
- where applicable, we compared disclosures in the Sustainability Reporting with the corresponding disclosures other elements of the Group's annual report (including the separate financial statements and consolidated financial statements),
- we evaluated the methods, assumptions and data used for developing estimates and forward-looking information,
- we obtained an understanding of the Parent's process to identify taxonomy-eligible d economic activities and the corresponding disclosures in the Sustainability Reporting.

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Other matters – comparative information

Our assurance engagement on the Sustainability Reporting does not extend to comparative information for prior periods. Our opinion is not modified in respect of this matter.

Jan Letkiewicz

Statutory Auditor No. 9530
Key Audit Partner for the sustainability reporting assurance engagement performing the assurance on behalf of
Grant Thornton Polska Prosta spółka akcyjna,
Poznań, ul. Abpa Antoniego Baraniaka 88 E, Audit Firm No. 4055

Poznań, April 2, 2025.

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Part

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Consolidated financial statements for the period from 1 January 2024 to 31 december 2024

TRANSLATORS' EXPLANATORY NOTE
This document is a free translation of the Polish original.
The binding Polish original should be referred to in matters of interpretation.

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1. GENERAL INFORMATION

1.1. INFORMATION ABOUT THE PARENT ENTITY

NAME

EUROCASH Spółka Akcyjna (Parent Entity)

There were no changes in the Group related to the name of the reporting unit and other identification data.

ADDRESS

ul. Wiśniowa 11, 62-052 Komorniki, Poland

REGISTERED OFFICE

ul. Wiśniowa 11, 62-052 Komorniki

CORE BUSINESS

Non-specialized wholesale trade (PKD 4690Z)

TERRITORY OF ACTIVITY

Poland

REGISTRATION COURT

District Court Poznań - Nowe Miasto and Wilda in Poznań, VIII Commercial Department of the National Court Register, KRS 0000213765, Poland

PERIOD FOR WHICH THE GROUP WAS ESTABLISHED

The duration of the parent company and entities comprising the Capital Group is indefinite.

PERIOD COVERED BY THE FINANCIAL STATEMENTS

The reporting period started 1 January 2024 and ended 31 December 2024 and comparative period is the period from 1 January 2023 to 31 December 2023.

Consolidated statement of financial position has been prepared as at 31 December 2024, and the comparative figures are presented as at 31 December 2023.

The Company prepared the consolidated financial statements for the year ended 31 December 2024, which included the amendment to be published on 2 April 2025.

1.2. BOARD OF THE PARENT ENTITY

MANAGEMENT BOARD OF THE PARENT ENTITY

As at 31 December 2024 the Eurocash S.A. Management Board consisted of the following members:

Paweł Surówka – President of the Management Board,

Katarzyna Kopaczewska – Member of the Management Board,

Tomasz Polański – Member of the Management Board,

Dariusz Stolarczyk – Member of the Management Board,

Szymon Mitoraj – Member of the Management Board,

Marcin Celejowski – Member of the Management Board,

Piotr Nowjalis – Member of the Management Board.

SUPERVISORY BOARDS

As at 31 December 2024 the Eurocash S.A. Supervisory Board consisted of the following members:

Luis Manuel Conceicao do Amaral – President of the Supervisory Board,

Hans Joachim Körber – Member of the Supervisory Board,

Francisco José Valente Hipólito dos Santos – Member of the Supervisory Board,

Jorge Mora – Member of the Supervisory Board,

Przemysław Budkowski – Member of the Supervisory Board.

CHANGES IN THE MANAGEMENT AND SUPERVISORY BOARD

On 27 August 2024, the Management Board received a statement from Mr. Przemysław Ciaś – Member of the Management Board of the Company on his resignation from the Management Board of the Company as of 30 September 2024 (at the end of the day).

Following the submitted resignation, a meeting of the Supervisory Board was held, at which a resolution was adopted on, among other things, the appointment of Mr. Marcin Celejowski to the Management Board of the Company, as a Member of the Management Board, with effect from 1 October 2024.

On 28 October 2024, the Management Board received a statement from Mr. Jacek Owczarek – Member of the Management Board of the Company and Financial Director, on his resignation from the Management Board of the Company, as of 14 November 2024 (at the end of the day).

Following the submitted resignation, a meeting of the Supervisory Board was held, at which a resolution was adopted on the appointment of Mr. Piotr Nowjalis to the Management Board of the Company, as a Member of the Management Board, with effect from 15 November 2024.

On 26 March 2025, the Management Board received from Mr. Francisco José Valente Hipólito dos Santos the resignation from the Supervisory Board of the Company, effective on 14 May 2025 (at the end of the day).

In connection with the resignation of Mr. Francisco José Valente Hipólito dos Santos from the Supervisory Board of the Company (effective on 14 May 2025 (at the end of the day)), Politra B.V. S.a r.l. (as the legal successor of Politra B.V.), the holder of 43.55% of the shares in the share capital of the Company, informed the Company that, exercising the right granted to it in § 13 sec. 2 of the Company's Articles of Association,

it appoints Ms. Rita Acciaioli Mendes Pais do Amaral to serve as a Member of the Supervisory Board of the Company, effective on 15 May 2025.

On 1 April 2025, the Management Board received the resignation of Mr. Hans Joachim Körber from the Supervisory Board of the Company with effect from 15 May 2025. Due to the resignation of Mr. Hans Joachim Körber (a member appointed by the General Meeting), the Management Board will immediately convene the General Meeting to appoint a new member of the Supervisory Board.

CONSOLIDATED INCOME STATEMENT FOR THE PERIOD FROM 01.01 TO 31.12.2024

	Note	for the period from 01.01.2024 to 31.12.2024	for the period from 01.01.2023 to 31.12.2023
Sales		**32 241 140 372,0**	**32 451 962 545,0**
Sales of goods	25	32 119 031 154,0	32 331 090 075
Sales of services	25	121 167 715,0	117 176 036
Sales of materials	25	941 503,0	3 696 434
Costs of sales		**(27 931 278 938,0)**	**(28 042 725 920,0)**
Costs of goods sold		(27 930 735 057,0)	(28 039 542 815)
Costs of materials sold		(543 881,0)	(3 183 105)
Gross profit (loss)		**4 309 861 434,0**	**4 409 236 625,0**
Selling expenses	26	(3 562 762 397,0)	(3 481 090 455)
General and administrative expenses	26	(523 078 364,0)	(527 222 232)
Profit (loss) on sales		**224 020 673,0**	**400 923 938,0**
Other operating income	27	81 216 445,0	64 876 502
Other operating expenses	27	(20 683 028,0)	(29 806 238)
Operating profit (loss)		**284 554 090,0**	**435 994 202,0**
Financial income	28	68 409 272,0	67 121 368
Financial costs	28	(318 596 491,0)	(308 196 275)
Share in profits (losses) of equity accounted investees		1 118 072,0	77 016
Profit (loss) before tax		**35 484 943,0**	**194 996 311,0**
Income tax expense	23	(31 643 716,0)	(50 274 268)
Profit (loss) for the period		**3 841 227,0**	**144 722 043,0**
Attributable to:			
Owners of the Company		(26 875 156,0)	99 202 121
Non-controlling interests		30 716 383,0	45 519 922
EARNINGS PER SHARE		**PLN / share**	**PLN / share**
Profit (loss) attributable to Owners of the Company		(26 875 156,0)	99 202 121,0
Weighted average number of shares	29	139 163 286	139 163 286
Weighted average diluted number of shares	29	139 163 286	139 758 006
Basic earnings loss per share		(0,19)	0,71
- continuing operation		(0,19)	0,71
- discontinued operations		0	0
Diluted earnings loss per share		(0,19)	0,71
- continuing operation		(0,19)	0,71
- discontinued operations		0	0

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD FROM 01.01 TO 31.12.2024

	for the period from 01.01.2024 to 31.12.2024	for the period from 01.01.2023 to 31.12.2023
Profit (loss) for the period	**3 841 227,0**	**144 722 043,0**
Other comprehensive income for the period	4 526 179,0	(5 188 710,0)
Items that may be subsequently reclassified to profit or loss:	**4 526 179,0**	**(5 188 710,0)**
- The result on hedge accounting with the tax effect:	4 526 179,0	(5 188 710,0)
Total comprehensive income for the period	**8 367 406,0**	**139 533 333,0**
Total Income		
Owners of the Company	(22 348 977,0)	94 013 411,0
Non-controlling interests	30 716 383,0	45 519 922,0
Total comprehensive income for the period	**8 367 406,0**	**139 533 333,0**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31.12.2024

Assets	Note	as at 31.12.2024	as at 31.12.2023
Non-current assets		**4 989 001 455,0**	**5 147 859 470,0**
Goodwill	3	2 091 231 277,0	2 138 258 889,0
Intangible assets	3	276 278 124,0	301 323 081,0
Property, plant and equipment	4	580 225 295,0	662 300 022,0
Right of use assets	5	1 928 348 419,0	1 920 854 287,0
Investment property	7	11 142,0	694 264,0
Investments in equity accounted investees	8	14 781 175,0	13 663 103,0
Other long-term investments	9	1 049 868,0	1 319 956,0
Long-term receivables	10	16 731 144,0	17 457 469,0
Deferred tax assets	24	66 847 698,0	81 688 143,0
Other long-term prepayments	11	13 497 313,0	10 300 256,0
Current assets		**4 170 384 522,0**	**3 908 419 583,0**
Inventories	12	1 996 688 680,0	1 998 757 721,0
Trade receivables	13	1 199 554 654,0	1 331 906 355,0
Current tax receivables	13	926 284,0	7 236 336,0
Other short-term receivables	13	217 502 109,0	252 957 970,0
Other short-term financial assets	14	25 462 534,0	110 250,0
Short-term prepayments	15	49 063 007,0	43 697 944,0
Cash and cash equivalents	16	403 379 606,0	273 753 007,0
Assets classified as held for sale	1	277 807 648,0	0,0
Total assets		**9 159 385 977,0**	**9 056 279 053,0**

Equity and liabilities	Note	as at 31.12.2024	as at 31.12.2023
Equity		**862 467 897,0**	**919 463 441,0**
Equity attributable to Owners of the Company		**737 368 766,0**	**799 682 710,0**
Share capital	17	139 163 286,0	139 163 286,0
Reserve capital		581 032 164,0	592 594 902,0
Valuation equity of hedging transactions		(3 730 425,0)	(8 256 604,0)
Option for purchase/selling the shares		(44 046 628,0)	(104 480 658,0)
Retained earnings		64 950 369,0	180 661 784,0
Accumulated profit / loss from previous years		91 825 527,0	81 459 663,0
Profit (loss) for the period		(26 875 158,0)	99 202 121,0
Non-controlling interests		125 099 131,0	119 780 731,0
Liabilities		**8 296 918 079,0**	**8 136 815 612,0**
Non-current liabilities		**2 046 393 633,0**	**2 147 171 379,0**
Long-term loans and borrowings	20	400 368 000,0	361 872 000,0
Other long-term financial liabilities	21	0	125 278 658,0
Long-term lease liabilities	22	1 632 648 591,0	1 628 359 114,0
Other long-term liabilities	19	4 169 836,0	21 794 051,0
Employee benefits	18	8 918 063,0	9 509 525,0
Provisions	18	289 143,0	358 031,0
Current liabilities		**6 250 524 446,0**	**5 989 644 233,0**
Loans and borrowings	20	122 975 350,0	90 047 037,0
Other short-term financial liabilities	21	131 233 042,0	16 271 028,0
Short-term lease liabilities	22	452 457 717,0	474 990 572,0
Trade payables	19	4 840 205 066,0	4 654 723 282,0
Current tax liabilities	19	25 678 067,0	27 520 619,0
Other short-term payables	19	176 423 603,0	260 664 357,0
Current employee benefits	18	149 683 635,0	159 376 025,0
Provisions	18	233 338 883,0	306 051 313,0
Liabilities directly connected with assets held for sale	1	118 529 083,0	0,0
Total equity and liabilities		**9 159 385 976,0**	**9 056 279 053,0**

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD FROM 01.01 TO 31.12.2024

	for the period from 01.01.2024 to 31.12.2024	for the period from 01.01.2023 to 31.12.2023
Cash flow from operating activities		
Profit (loss) before tax	**35 484 943,0**	**194 996 311,0**
Adjustments for:	**926 824 015,0**	**899 971 084,0**
Depreciation and amortization	648 965 317,0	629 535 004,0
Share in profits (losses) of equity accounted investees	(1 118 072,0)	(77 016,0)
Valuation of motivational programm	0	7 708 492,0
Gain (loss) on sale of property, plant and equipment	(2 495 129,0)	7 295 646,0
Profit (loss) on exchange rates	(5 890 917,0)	(25 774 058,0)
Dividends received	(413 963,0)	(201 772,0)
Interest expenses	299 028 835,0	291 901 109,0
Interest received	(11 252 056,0)	(10 416 321,0)
Operating cash before changes in working capital	**962 308 958,0**	**1 094 967 395,0**
Changes in inventory	(60 724 842,0)	(362 644 037,0)
Changes in receivables	174 291 419,0	12 977 054,0
Changes in payables	181 768 927,0	553 522 721,0
Changes in provisions and employee benefits	(88 778 587,0)	(31 125 481,0)
Other adjustments	675 874,0	(354 150,0)
Operating cash	**1 169 541 749,0**	**1 267 343 502,0**
Interest received	6 802 060,0	7 058 401,0
Interest paid	(127 316 896,0)	(120 189 878,0)
Income tax paid	(34 796 740,0)	(15 508 064,0)
Net cash from operating activities	**1 014 230 173,0**	**1 138 703 961,0**
Cash flow from investing activities		
Aquisition of intangible assets	(48 485 711,0)	(48 418 463,0)
Proceeds from sale of intangible assets, property, plant and equipment	196 851,0	1 878 876,0
Aquisition of property, plant and equipment tangible fixed assets	(147 329 636,0)	(136 839 681,0)
Proceeds from sale of property, plant and equipment	20 900 222,0	3 778 591,0
Income/expenses from sale of investment property	770 000,0	396 136,0
Expenditures on financial assets	110 250,0	(110 250,0)
Dividends received	413 962,0	201 771,0
Loans granted	(25 000 000,0)	0
Repayment received of given loans	0	0
Interest received	5 285 716,0	3 846 125,0
Net cash used in investing activities	**(193 138 346,0)**	**(175 266 895,0)**
Cash flow from financing activities		
Income/expenses for other financial liabilities	(4 853 869,0)	(3 954 815,0)
Proceeds from loans and borrowings	183 172 693,0	85 340 989,0
Repayment of borrowings	(111 748 382,0)	(305 744 816,0)
Expenses for liabilities from leasing	(427 235 812,0)	(407 229 519,0)
Interest on finance lease	(95 454 527,0)	(87 616 782,0)
Other interests	(16 770 888,0)	(15 204 927,0)
Interests on loans and borrowings	(52 530 073,0)	(71 389 236,0)
Dividends paid	(125 595 549,0)	(61 678 363,0)
Net cash used in financing activities	**(651 016 407,0)**	**(867 477 469,0)**
Net change in cash and cash equivalents	**170 075 420,0**	**95 959 597,0**
Cash and cash equivalents at the beginning of the period	273 753 007,0	177 793 411,0
Cash and cash equivalents at the end of the period	**443 828 427,0**	**273 753 007,0**

CONSOLIDATED STATEMENT ON CHANGES IN EQUITY FOR THE PERIOD FROM 01.01 TO 31.12.2024

	Share capital	Reserve capital	Option for purchase/selling the shares	Hedge reserve	Retained earnings	Equity attributable to Owners of the Company	Non-controlling interests	Total
Changes in equity in the period from 01.01 to 31.12.2023								
Balance as at 01.01.2023 after changes	**139 163 286,0**	**584 886 410,0**	**(147 085 648,0)**	**(3 067 894,0)**	**136 328 162,0**	**710 224 316,0**	**88 678 542,0**	**798 902 858,0**
Owners of the Company	-	-	-	-	99 202 121,0	**99 202 121,0**	-	**99 202 121,0**
Non-controlling interests	-	-	-	-	-	-	45 519 922,0	**45 519 922,0**
Profit/Loss	-	-	-	-	**99 202 121,0**	**99 202 121,0**	**45 519 922,0**	**144 722 043,0**
Other comprehensive income	-	-	-	(5 188 710,0)	-	**(5 188 710,0)**	-	**(5 188 710,0)**
Total comprehensive income for the period from 01.01. to 31.12.2023	-	-	-	**(5 188 710,0)**	**99 202 121,0**	**94 013 411,0**	**45 519 922,0**	**139 533 333,0**
Dividends paid	-	-	-	-	(50 000 000,0)	(50 000 000,0)	(14 417 733,0)	**(64 417 733,0)**
Valuation of motivational program for employees*	-	7 708 492,0	-	-	-	7 708 492,0	-	**7 708 492,0**
Option for purchase/selling the shares	-	-	42 604 990,0	-	-	42 604 990,0	-	**42 604 990,0**
Other	-	-	-	-	(4 868 499,0)	(4 868 499,0)	-	**(4 868 499,0)**
Total contributions by and distributions to Owners of the Company	**-**	**7 708 492,0**	**42 604 990,0**	**-**	**(54 868 499,0)**	**(4 555 017,0)**	**(14 417 733,0)**	**(18 972 750,0)**
Changes in equity	**-**	**7 708 492,0**	**42 604 990,0**	**(5 188 710,0)**	**44 333 622,0**	**89 458 394,0**	**31 102 189,0**	**120 560 583,0**
Balance as at 31.12.2023	**139 163 286,0**	**592 594 902,0**	**(104 480 658,0)**	**(8 256 604,0)**	**180 661 784,0**	**799 682 710,0**	**119 780 731,0**	**919 463 441,0**
Changes in equity in the period from 01.01 to 31.12.2024								
Balance as at 01.01.2024	**139 163 286,0**	**592 594 902,0**	**(104 480 658,0)**	**(8 256 604,0)**	**180 661 784,0**	**799 682 710,0**	**119 780 731,0**	**919 463 441,0**
Owners of the Company	-	-	-	-	(26 875 156,0)	**(26 875 156,0)**	-	**(26 875 156,0)**
Non-controlling interests	-	-	-	-	-	-	30 716 383,0	**30 716 383,0**
Profit/Loss	-	-	-	-	(26 875 156,0)	(26 875 156,0)	30 716 383,0	3 841 227,0
Other comprehensive income	-	-	-	4 526 179,0	-	4 526 179,0	-	**4 526 179,0**
Total comprehensive income for the period from 01.01. to 31.12.2024	-	-	-	**4 526 179,0**	**(26 875 156,0)**	**(22 348 977,0)**	**30 716 383,0**	**8 367 406,0**
Dividends paid	-	-	-	-	(100 197 566,0)	(100 197 566,0)	(25 397 983,0)	**(125 595 549,0)**
Valuation of motivational program for employees*	-	(11 562 738,0)	-	-	11 562 738,0	-	-	**-**
Option for purchase/selling the shares	-	-	60 434 030,0	-	-	60 434 030,0	-	**60 434 030,0**
Other	-	-	-	-	(201 431,0)	(201 431,0)	-	**(201 431,0)**
Total contributions by and distributions to Owners of the Company	**-**	**(11 562 738,0)**	**60 434 030,0**	**-**	**(88 836 259,0)**	**(39 964 967,0)**	**(25 397 983,0)**	**(65 362 950,0)**
Changes in equity	**-**	**(11 562 738,0)**	**60 434 030,0**	**4 526 179,0**	**(115 711 415,0)**	**(62 313 944,0)**	**5 318 400,0**	**(56 995 544,0)**
Balance as at 31.12.2024	**139 163 286,0**	**581 032 164,0**	**(44 046 628,0)**	**(3 730 425,0)**	**64 950 369,0**	**737 368 766,0**	**125 099 131,0**	**862 467 897,0**

**The incentive program for key employees, implemented in resolution No. 25 of the Annual General Meeting of the Company of 30 June 2022 ("incentive program" and "Resolution"), was not repealed (in particular, the above-mentioned Resolution was not repealed), however, due to the fact that the results achieved for 2024 are below the results expected in the assumptions of the incentive program, the Management Board decided not to create a provision in 2024 related to the incentive program. The program costs from previous years are presented as "Result from previous years". At the same time, in connection with changes to the Act of 15 January 2015 on bonds, according to which a retail client within the meaning of Art. 3 item 39c of the Act on Trading in Financial Instruments, being a natural person, may acquire bonds if the nominal value of the bonds is not less than EUR 40,000 (or the equivalent of this amount expressed in Polish or another currency, determined using the average euro exchange rate or the average exchange rate of this currency announced by the National Bank of Poland on the date of the issuer's decision on the issue), it is not possible to implement the incentive program based on bonds in the wording adopted by the above-mentioned Resolution of the AGM, therefore the Management Board does not rule out submitting an appropriate initiative regarding the amendment of the Resolution by the general meeting of the Company.

2. SUPPLEMENTARY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS PREPARED FOR THE PERIOD FROM 01.01 TO 31.12.2024

2.1. GENERAL INFORMATION

ISSUE OF THE CONSOLIDATED FINANCIAL STATEMENTS

By the resolution of the Management Board of 2 April 2025, the consolidated financial statements of Eurocash S.A. ("Group", "Grupa Kapitałowa", "Eurocash Group", "Eurocash Capital Group") for the period from 1 January 2024 to 31 December 2024 has been approved for publication.

According to the information included in the report no. 1/2025 dated 28 January 2025 sent to the Polish Financial Supervision Authority, Eurocash S.A. issues its consolidated financial statements on 3 April 2025.

Eurocash S.A. is a listed company and its shares are publicly traded.

STATEMENT OF COMPLIANCE

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union ("EU IFRSs"). As at the date of approval of this report for publication, taking into account the ongoing process of introducing IFRS in the European Union, the IFRS applicable to this financial statement do not differ from EU IFRSs.

IMPACT OF NEW STANDARDS AND INTERPRETATIONS ON THE FINANCIAL STATEMENTS OF THE GROUP

The accounting principles (policies) used to prepare the consolidated financial statements are consistent with those used to prepare the annual consolidated financial statements of the Group for the year ended 31 December 2023, with the exception of the application of new or amended standards and interpretations applicable to annual periods beginning on 1 January 2024 and later.

The amended standards and interpretations, which apply for the first time in 2024, do not have a significant impact on the Group's annual financial statements.

Amendment to IAS 1 "Presentation of Financial Statements"

The amendment clarifies that at the balance sheet date, an entity does not take into account covenants that will have to be met in the future when considering the classification of liabilities as long-term or short-term. Instead, the entity should disclose information about these covenants in the explanatory notes to the financial statements

The standard is effective for annual periods beginning on or after 1 January 2024.

Amendment to IAS 1 "Presentation of Financial Statements"

The IASB clarified the principles for the classification of liabilities as long-term or short-term, primarily in two aspects:

1. it was clarified that the classification depends on the rights that the entity has at the balance sheet date,

2. the intentions of management with respect to the acceleration or delay of payment of the liability are not taken into account.

The amendment is effective for annual periods beginning on or after 1 January 2024.

Amendment to IFRS 16 "Leases"

The amendment clarifies the requirements for measuring a lease liability arising from a sale and leaseback transaction. It is intended to prevent incorrect recognition of the result on the transaction in the part concerning the retained right of use in the case where the lease payments are variable and do not depend on an index or rate.

The amendment is effective for annual periods beginning on or after 1 January 2024.

Amendments to IAS 7 "Statement of Cash Flows" and IFRS 7 "Financial Instruments: Disclosures"

The amendment describes the characteristics of reverse factoring arrangements ("Supplier finance arrangements") and introduces the need to disclose additional information.

The amendment is effective for annual periods beginning on or after 1 January 2024.

The Company has not decided to early adopt any standard, interpretation or amendment that has been published but has not yet become effective under European Union law.

The following standards and interpretations have been published by the International Accounting Standards Board, but have not yet become effective:

Amendments to IAS 21 "The Effects of Changes in Foreign Exchange Rates"

The amendment clarifies how an entity should assess whether a given currency is convertible and how it should determine the exchange rate in the event of non-convertibility, and also requires the disclosure of information that will enable users of financial statements to understand the impact of the non-convertibility of the currency.

The amendments are effective for annual periods beginning on 1 January 2025.

Amendments to IFRS 9 "Financial Instruments" and IFRS 7 "Financial Instruments: Disclosures"

The amendments to IFRS 9 introduce the possibility of choosing an accounting principle regarding the moment of extinguishment of a liability in the case of payment made via an electronic payment system (if certain conditions are met).

The amendments to IFRS 9 regarding the SPPI test provide guidance to help assess whether cash flows arising from a contract are consistent with a basic lending arrangement. In addition, the amendments introduce a clearer definition of the non-recourse feature.

The amendments to IFRS 9 also provide additional guidance on the characteristics of contractually linked instruments.

The amendments to IFRS 7 add new disclosure requirements:

- for investments in equity instruments designated as measured at fair value through other comprehensive income,
- for each class of financial assets measured at amortized cost or at fair value through other comprehensive income, and for financial liabilities measured at amortized cost.

The amendment is effective for annual periods beginning on or after 1 January 2026.

Amendments to IFRS 9 "Financial Instruments" and IFRS 7 "Financial Instruments: Disclosures" regarding PPAs (Contracts Referencing Nature-dependent Electricity)

The amendments to IFRS 9 include information on which PPA contracts can be used for hedge accounting and what specific terms are permitted in such hedging relationships.

The amendments to IFRS 7 introduce new disclosure requirements for PPAs as defined in the amendments to IFRS 9.

The amendment is effective for annual periods beginning on 1 January 2026.

Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10, IAS 7

Annual Improvements – housekeeping changes only.

The amendments are effective for annual periods beginning on 1 January 2026.

New IFRS 18 "Presentation and Disclosures in Financial Statements"

The new standard will replace IAS 1 "Presentation of Financial Statements". IFRS 18 introduces, among others: a new structure of the profit and loss account, increased requirements for data aggregation and disaggregation, requirements for disclosure of management-defined performance measures.

The changes are effective for annual periods beginning on 1 January 2027.

New IFRS 19 "Subsidiaries without public accountability: Disclosures"

The standard applies to subsidiaries without public accountability for which their parent entity prepares consolidated financial statements in accordance with IFRS. The new IFRS 19 exempts from disclosures required by other standards, and in their place introduces a new list.

The changes are effective for annual periods beginning on 1 January 2027.

The effective dates are the dates resulting from the content of the standards announced by the International Financial Reporting Council. The dates of application of standards in the European Union may differ from the dates of application resulting from the content of the standards and are announced at the time of approval for use by the European Union.

The Group intends to implement the provisions of the standards for the first time when they enter into force, provided that they are significant for the Group.

FUNCTIONAL AND PRESENTATION CURRENCY, ROUNDINGS

These consolidated financial statements are presented in PLN, which is the Parent Entity's functional and presentation currency. All financial information presented in PLN has been rounded to the nearest PLN (unless it is otherwise indicated).

USE OF ESTIMATES AND JUDGEMENTS

The preparation of the consolidated financial statements in conformity with UE IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Estimates and underlying assumptions are made based on historical experience and other factors accepted as reasonable in given circumstances, and the results of estimates and judgements are a basis for the determination of the carrying value of assets and liabilities not resulting directly from other sources. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Impairment of assets

Judgment is required to analyze the premises for impairment and conduct tests. In this context, in particular, the feasibility of budgets and the impact of the Covid-19 pandemic on the Group's operations were analyzed. As a consequence of these premises, the Group conducted tests for the loss of goodwill and other assets. This required estimating the recoverable value in use of the cash-generating units to which the goodwill and trademarks are allocated. Estimating the value in use consists in determining the future cash flows generated by the cash-generating unit and requires determining the discount rate to be applied in order to calculate the present value of these flows. The assumptions made for that purpose are presented in Note 6.

Impairment of trade receivables

In the current period, estimates of expected credit losses were updated. Details are included in note 34.

Revenue and costs recognition and costs associated with the sale of goods

The application of IFRS 15 requires the Group to make subjective judgments and estimates that significantly affect the determination of the amount and timing of revenue recognition.

If the remuneration specified in the contract includes a variable amount, the Company estimates the amount of remuneration to which it will be entitled in exchange for the provision of the promised goods or services to the customer. Details in pt. 2.2.28. The estimated amounts of bonuses due to customers under distribution agreements are recognized on an ongoing basis in the Company's result at the time of sale of goods by reducing the transaction price (income).

The company, when buying goods from suppliers, is entitled to the so-called retrorabates, in accordance with signed trade agreements. The company regularly estimates the discount due to it and adjusts the value of inventories at the time of purchasing the goods. Consequently, this discount corrects the cost of sale at the time of sale of the goods.

Leasing - recognition of the lessee

The application of IFRS 16 requires the Group to exercise various types of judgment, including determining which contracts fit into the lease definition, what parameters should be used to measure the lease liability and whether there are indications of the need to reassess the lease term or the discount rate.

For contracts concluded for an indefinite period, the Management Board of the Company makes a judgment to determine with sufficient certainty the duration of the contract based on budget assumptions. The Group has the option, under some lease agreements, to extend the term of the asset lease. After the commencement date, the Group cyclically assesses the lease term, and in the event of a significant event or change in circumstances under its control that affect its ability to exercise (or not exercise) the extension option (e.g. change in business strategy), it makes appropriate changes in terms of the contract.

The Group makes similar assessments for contracts concluded for an indefinite period.

Classification of liabilities due to reverse factoring

The Eurocash Group uses many financial instruments, including supplier chain financing agreements (reverse factoring) in relation to its trade liabilities. Considering the potential impact of such agreements on

the statement of cash flows and the statement of financial position, the Group analyzes the content of such agreements each time.

Based on the analysis performed, the Group assessed that liabilities subject to reverse factoring are more similar in nature to liabilities to suppliers than to liabilities due to financing. As a result, they are presented in the balance sheet under "Trade and other liabilities" and payments are recognized in the Statement of cash flows upon payment by the Group companies to the factor as cash flows from operating activities. In particular, the Management Board assesses whether the supplier financing program does not materially change:

- payment terms to suppliers,
- the size of the dates of occurrence and the nature of future cash flows,
- trade credit financing costs.

Generally, suppliers of alcohol, tobacco and other products with long-term shelf life participate in factoring programs. Only approximately 5% of the turnover realized with the help of factoring programs concerns suppliers of fresh and perishable products. Security granted to factors takes the form of: bills of exchange, powers of attorney to bank accounts, declarations of submission to enforcement and sureties of Group companies. The security measures are comparable to those provided to suppliers.

If significant modifications to the terms of repayment of trade liabilities are identified, the Company changes the classification accordingly and recognizes the liabilities covered by factoring as separate debt financing.

Depreciation rates

The Group recognizes that the “Eurocash” and “abc” trademarks are recognizable on the market and plans to use them in its operations for a long time. Therefore, the Group assumes that the useful lives of the trademarks "Eurocash" and "abc" are indefinite and they are not amortized. The "Eurocash" and "abc" trademarks are subject to an annual impairment test.

The Group determines the depreciation rates based on the assessment of the expected useful life of the items of property, plant and equipment and intangible assets, and performs their periodic verification.

Tradis customer relations

When determining the period of economic use of the above asset recognized on the acquisition of Tradis Group, the managers took into account development plans related to key customers acquired with the Tradis Group and their previous history of cooperation. Current analyzes confirm the previously adopted assumptions regarding the useful life.

Split payment

According to the Management Board's judgment, restrictions on the use of cash on VAT accounts resulting from the tax regulations regarding the split payment mechanism do not affect their classification as cash and cash equivalents, as the Group uses them on an ongoing basis to settle short-term liabilities.

Deferred tax asset

The Group recognizes a deferred tax asset based on the assumption that a tax profit will be generated in the future that will allow for its use. Deterioration of the tax results obtained in the future could make this assumption unjustified.

The Group carefully assesses the nature and scope of evidence supporting the conclusion that it is probable that future taxable profit will be sufficient to deduct from it unused tax losses, unused tax credits or other negative temporary differences.

Valuation of liabilities under share purchase options

Obligations to acquire non-controlling interests are recorded at the most probable redemption price of these interests based on indicators included in investment agreements, the individual values of which come from the financial plans of the given companies. The value of the obligation determined in this way is discounted to the present value.

Court cases

Determining the amount of the provision for court cases requires judgment as to whether the Group is obliged to provide benefits. In estimating whether it is more likely than not that an outflow of economic benefits will occur, the Group followed the professional judgment of legal advisers.

COMPARABILITY OF FINANCIAL STATEMENTS

The accounting principles and calculation methods used in the preparation of these annual consolidated financial statements have not changed compared to those used in the last annual consolidated financial statements for the financial year ending 31 December 2023, except for the application of new or amended standards and interpretations applicable to annual periods beginning on 1 January 2024 and later.

INFORMATION ABOUT THE PARENT ENTITY, THE CAPITAL GROUP, THE ASSOCIATES AND JOINT VENTURE

Eurocash S.A. is a Parent Entity, registered in the District Court Poznań - Nowe Miasto and Wilda in Poznań, VIII Commercial Department of the National Court Register; registration number: 00000213765; located in Komorniki, ul. Wiśniowa 11.

The main business activity of the Parent Entity is non-specialized wholesale trade (PKD 4690Z).

Shares of Eurocash S.A. are traded on Warsaw Stock Exchange.

Below is a list of companies in which the Group does not hold 100% of shares

As at 31 December 2024

No.	Entity name	Registered office	% of shares
1	Eurocash Serwis Sp. z o.o.	ul. Wiśniowa 11 62-052 Komorniki	75%
2	Lewiatan Holding S.A.	ul. Kilińskiego 10 87-800 Włocławek	67%
3	Inmedio Sp. z o.o.	ul. Al.Jerozolimskie 174 02-486 Warszawa	51%
4	Firma Rogala Sp. z o.o.	ul. Grunwaldzka 59 38-350 Bobowa	50%*
5	Arhelan Sp. z o.o.	Al. Józefa Piłsudskiego 45 17-100 Bielsk Podlaski	50%*
6	Stormer Sp. z o.o.	Al. Józefa Piłsudskiego 45 17-100 Bielsk Podlaski	50% (through the shares in Arhelan Sp. z o.o.)
7	Partnerski Serwis Detaliczny S.A.	ul. Grażyny 15 02-548 Warszawa	50%

As at 31 December 2023

No.	Entity name	Registered office	% of shares
1	Eurocash Serwis Sp. z o.o.	ul. Wiśniowa 11 62-052 Komorniki	75%
2	Lewiatan Holding S.A.	ul. Kilińskiego 10 87-800 Włocławek	67%
3	Inmedio Sp. z o.o.	ul. Al.Jerozolimskie 174 02-486 Warszawa	51%
4	Firma Rogala Sp. z o.o.	ul. Grunwaldzka 59 38-350 Bobowa	50%*
5	Delikatesy Rogala Obszar II Sp. z o.o.	ul. Grunwaldzka 59 38-350 Bobowa	50% (through the shares in Firma Rogala sp. z o.o.)
6	Delikatesy Rogala Obszar III Sp. z o.o.	ul. Grunwaldzka 59 38-350 Bobowa	50% (through the shares in Firma Rogala sp. z o.o.)
7	Delikatesy Rogala Obszar IV Sp. z o.o.	ul. Grunwaldzka 59 38-350 Bobowa	50% (through the shares in Firma Rogala sp. z o.o.)
8	Delikatesy Rogala Obszar V Sp. z o.o.	ul. Grunwaldzka 59 38-350 Bobowa	50% (through the shares in Firma Rogala sp. z o.o.)
9	Arhelan Sp. z o.o.	Al. Józefa Piłsudskiego 45 17-100 Bielsk Podlaski	50%*
10	Stormer Sp. z o.o.	Al. Józefa Piłsudskiego 45 17-100 Bielsk Podlaski	50% (through the shares in Arhelan sp. z o.o.)
11	Partnerski Serwis Detaliczny S.A.	Ul. Grażyny 15 02-548 Warszawa	50%

On 29.05.2024, the liquidation of ABC II Sp. z o.o. w likwidacji took place.

On 20.07.2024, the liquidation of Delikatesy Rogala Obszar III Sp. z o.o. w likwidacji took place.

On 24.07.2024, the liquidation of Delikatesy Rogala Obszar II Sp. z o.o. w likwidacji took place.

On 02.08.2024, the liquidation of Delikatesy Rogala Obszar IV Sp. z o.o. w likwidacji took place.

On 13.09.2024, the liquidation of Delikatesy Rogala Obszar V Sp. z o.o. w likwidacji took place.

Dnia 27.09.2024 the liquidation of Detal Finanse Sp. z o.o. w likwidacji.took place.

On 02.09.2024, Polska Dysrtybucja Alkoholi Sp. z o.o. w likwidacji was put into liquidation.

On 16.12.2024, Kontigo sp. z o.o. w likwidacji was put into liquidation.

On 02.09.2024, Delikatesy Centrum Sp. z o.o. merged with Podlaskie Delikatesy Centrum Sp. z o.o. by taking over Podlaskie Delikatesy Centrum Sp. z o.o.

* As indicated above, the Group holds 50% of shares in Arhelan Sp. z o.o. and Firma Rogala Sp. z o.o.

According to IFRS 10, in order for control over a subsidiary to be considered, all three elements of the definition of control must be met, i.e.:

1. Management

    a. Both companies concluded a franchise agreement with Eurocash's subsidiary Eurocash Franczyza, according to which they are obliged to purchase loyalty towards the Eurocash

franchise group – which is a key factor enabling the Eurocash Group to influence their financial results

b. Eurocash has a real influence on adopting resolutions on all matters assigned to the shareholders' competences

c. All activities related to representing the Company and conducting its affairs (especially those exceeding the scope of ordinary management) require the action of a Member of the Management Board appointed by Eurocash

d. Company Agreements and Investment Agreements provide for restrictions on the sale of their shares, the purpose of which is to first sell their shares to the other shareholder (pre-emptive right)

2. Exposure to volatility of financial results

   a. Eurocash, as a partner, is entitled to participate in the companies' profits (dividends)

   b. Pursuant to the terms of the franchise agreement, Eurocash Franczyza receives a monthly fee for participation in the store network.

3. The ability to use the power exercised to influence the return on investment.

   a. The main areas of activity of both companies affecting the return on Eurocash's investment focus on the purchasing process and logistics within the Eurocash Group, which creates a synergy effect and has the ability to influence the return on investment.

The above analysis confirms that the Group exercises control over the above-mentioned companies and therefore consolidates them using the full method.

GOING CONCERN ASSUMPTION

These financial statements have been prepared assuming that the Group will continue as a going concern in the foreseeable future, i.e. no less than 12 months from the balance sheet date.

The Group operates in the FMCG industry, which is characterized by a surplus of short-term liabilities over current assets in the balance sheet structure. This results from the fact that a significant part of sales to retail customers is made on cash terms, inventory levels are minimized, and suppliers provide deferred payment terms. FMCG companies finance working capital using financial instruments commonly available on the capital market, such as: bank loans, corporate bonds, reverse factoring, receivables factoring or leasing.

The data below contains the impact of company Inmedio Sp. z o.o.

The Eurocash Group in the period from January to December 2024, compared to the same period of the previous year, recorded a decrease in sales of goods by PLN 212.1 million (0.7% y/y) and a decrease in EBITDA by PLN 132 million (12.4% y/y). In the period from January to December 2024, the Group recorded a sales profit of approximately PLN 224.0 million, which was lower by PLN 176.9 million (44.1% y/y) compared to the same period of the previous year. In the period from January to December 2024, the Group generated cash from operating activities in the amount of PLN 1.01 billion, which is PLN 124 million less than in the same period in 2023. As at 31 December 2024, the Group recorded a surplus of current liabilities over current assets in the amount of PLN 2.2 billion. The Group's net working capital (including inventories, trade receivables and trade payables) as at 31 December 2024 was negative and amounted to PLN 1.61 billion compared to the negative net working capital of PLN 1.32 billion in the same period in 2023. The Group's net working capital changed by approximately PLN 286 million y/y.

The persistent negative net working capital, characteristic of the FMCG industry, requires the Group's Management Board to constantly ensure adequate, sufficient, effective and optimal in terms of maturity instruments for financing operating, investment and financial activities. To ensure unwavering financial liquidity, the Group uses various types of working capital financing instruments available on the market.

The key factor for the Group in terms of obtaining a long-term and stable source of financing is the Senior Facilities Agreement launched in July 2023 with a consortium of 8 banks for a total amount of PLN 1.001 billion. This agreement concerns a 5-year amortized term loan with an initial value of PLN 456 million, a 3-year revolving loan with a value of PLN 445 million (with an option to extend for another two years) and a 3-year overdraft facility up to PLN 100 million (with an option to extend for another two years). The agreement also allows for an increase in the amount of debt by the equivalent of PLN 199 million (under the so-called Incremental Facility) up to a maximum total amount of PLN 1.200 billion, both in the form of a term loan, a revolving loan, and in the form of a credit in the current account. In addition to the agreements mentioned above, the Group Companies also have separate bilateral agreements with financing institutions. As of 31 December 2024, long-term liabilities under loans and credits amounted to PLN 400.4 million (long-term liabilities under loans and credits as of December 31, 2023 amounted to PLN 361.9 million), and short-term liabilities under loans and credits amounted to PLN 123.0 million (short-term liabilities under loans and credits as of 31 December 2023 amounted to PLN 90.1 million). The Group's total debt under loans and credits increased by PLN 71.4 million, or 15.8% year-on-year. The financial ratio of net debt to EBITDA was 2.53 as of the balance sheet date, compared to 2.24 as of 31 December 2023.

In order to secure financial liquidity, the Group issued the first series of bonds in December 2025 maturing in December 2020.

In addition to bank loans and bonds, the Group also actively uses reverse factoring, receivables factoring and leasing to finance working capital. In the opinion of the Management Board, the combination of business financing instruments including bank loans, as well as factoring products and other available financial instruments, including security instruments in the form of bank guarantees, meets the needs of companies operating in the FMCG sector, enabling financial liquidity to be maintained at an expected and safe level for the Group's continuation of operations.

Details regarding the limits and use of the above financial instruments in the Group over the last 3 years are included in the table below

Limits	31.12.2024	31.12.2023	31.12.2022
Bonds (program)	1 000	1 000	1 000
Bank credits	1 094	1 138	1 214
Bank guarantees	320	287	263
Receivables factoring	680	600	525
Reveerse factoring	1 854	1 528	1 523
Use	**31.12.2024**	**31.12.2023**	**31.12.2022**
Bonds (issue)	125	125	125
Bank credits	512	442	663
Bank guarantees	263	221	215
Receivables factoring	499	352	344
Reveerse factoring	1 716	1 405	1 156
% Use	**31.12.2024**	**31.12.2023**	**31.12.2022**
Bonds	13%	13%	13%
Bank credits	47%	39%	55%
Bank guarantees	82%	77%	82%

Receivables factoring	73%	59%	66%
Reveerse factoring	93%	92%	76%

As at the balance sheet date, the Group had both free credit lines (PLN 582 million) and free reverse factoring lines (PLN 138 million), which could be used immediately in the event of a potential liquidity gap. All covenants included in the above financial agreements are monitored on an ongoing basis and as at the balance sheet date of 31 December 2024, no terms of the financing agreements were breached. In the opinion of the Management Board, there is no risk of termination of these agreements within 12 months from the balance sheet date. The tool supporting the Management Board's decisions regarding the selection of the size and structure of financial instruments is the Group's liquidity model for the next 12 months from the balance sheet date, prepared by the Group with the participation of an independent external advisor. This model was also used in the assessment of the possibility of continuing as a going concern and assessing the liquidity risk in the preparation of these financial statements. The liquidity model assumes maintaining the availability of trade credit limits from suppliers and limits in financing instruments provided by the financial sector. The Group's Management Board maintains a liquidity model and, based on it, periodically assesses the going concern of the entire Group through scenario analyses. The following are tested: (1) sales level, (2) availability of credit limits, (3) availability of reverse factoring limits and (4) interest rate levels.

For the purposes of the going concern assessment, the Group also took into account the ongoing court and tax proceedings described in Note 32. As indicated in Note 32, in accordance with the judgment of the Court of Competition and Consumer Protection of 19 February 2024, the decision issued by the President of the Office of Competition and Consumer Protection was annulled. In June 2024, the President of the Office of Competition and Consumer Protection filed an appeal challenging the judgment in its entirety. In July 2024, the Company filed a response to the appeal. Given the appeal against the judgment of the Court of Competition and Consumer Protection, the outcome of the case will depend on the decision of the Court of Appeal in Warsaw. To the best of the Company's knowledge, the proceedings before the Court of Appeal in Warsaw may last at least a dozen or several dozen months. At the same time, based on external legal opinions, based on the course of the proceedings, the content of the written justification of the judgment and the appeal itself, the Company assumes that it has more than a 50% chance of winning before the Court of Appeal (i.e. dismissing the appeal of the President of the Office of Competition and Consumer Protection and upholding the judgment annulling the decision, which is favorable to the Company).

In turn, with respect to tax proceedings, the Company - also based on the received external tax legal opinions - assumes that the risk of effective and legally binding upholding of the findings from the tax audit regarding the amounts of the Company's potential VAT arrears is not high, and if such a risk were to materialize, it would not result in the loss of the Group's financial liquidity.

Based on the analysis conducted and the facts listed above, the Management Board concluded that the Group has sufficient sources of financing for a period of at least 12 months from the balance sheet date and that there is no uncertainty as to the continuation of its operations in the next 12 months.

2.2. SIGNIFICANT ACCOUNTING POLICIES

ACCOUNTING POLICIES

The financial statements are prepared in accordance with the historical cost concept, except for derivative financial instruments and put options measured at fair value.

The most important accounting principles applied by the Capital Group are presented in points 2.2.2 – 2.2.36.

REPORTING PERIOD

The Group's reporting period is a calendar year.

FORMAT AND CONTENT OF THE CONSOLIDATED FINANCIAL STATEMENTS

In particular, the consolidated financial statements are comprised of:

- General information
- Consolidated income statement
- Consolidated statement of comprehensive income
- Consolidated statement of financial position
- Consolidated statement of cash flows
- Consolidated statement of changes in equity
- Supplementary information to the consolidated financial statements, including information on significant accounting principles and other explanatory information.

BASIS OF CONSOLIDATION

Subsidiaries

Due to IFRS 10, subsidiaries are entities controlled by the Group.

The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

Associates

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20 and 50 percent of the voting power of another entity and the Group has no control or joint control over these entities.

Investments in associates are measured in the consolidated financial statements using the equity method, and at the time of initial recognition are recognized at purchase price. The Group's investments include goodwill recognized at the time of acquisition, less accumulated impairment losses. The consolidated financial statements include the Group's share in profits and losses and changes in the equity of associates accounted for using the equity method (after harmonization of the accounting principles), from the moment of obtaining significant influence until its expiry. If the Group's share of losses exceeds the value of shares in an associate, the carrying amount (taking into account long-term investments) is reduced to zero. Then,

the recognition of any additional losses is discontinued, except for losses arising from the Group assuming legal or constructive obligations or from making payments on behalf of an associatee.

Jointly controlled companies

Jointly controlled companies are presented according to IFRS 11 and recognized as joint operations or joint ventures, according to the actual rights and obligations of joint controllers.

A joint operation is a joint contractual arrangement in which the parties exercising joint control over the arrangement have rights to assets and obligations concerning liabilities related to the arrangement. These parties are referred to as joint operators.

A joint venture is a joint contractual arrangement in which the parties exercising joint control over the arrangement have rights to net assets arising out of the arrangement. These parties are referred to as joint venturers. A joint venture presents their share in a joint venture as an investment, and such investment is accounted for according to the equity method, as per IAS 28.

Costs of business acquisition

The value of the payment transferred includes the fair value of the transferred assets, liabilities incurred by the Company towards the previous owners of the acquiree and shares issued by the Company. The value of the consideration transferred also includes the fair value of the part of the contingent consideration, as well as the fair value of the acquiree's share-based awards transferred by the acquirer, which are mandatorily replaced in business combinations. If the business combination results in the expiry of prior obligations between the Company and the acquiree, then the value of the consideration is reduced by the lower of: the contractual price for the expiry of the obligation or the value of the non-market element and is recognized as residual cost.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Acquisition date

The acquisition date is the date on which the Group actually takes control of the subsidiary. If this is done through a single exchange transaction, the date of exchange coincides with the date of purchase. In a situation where the acquisition of business units involves more than one exchange transaction, the previously acquired shares are measured at fair value at the time of acquisition of control.

Sale of subsidiaries

The result on the sale of subsidiaries is presented by the Group in the income statement in operating activity and in the cash flow statement in investment activitiy.

Consolidation adjustments

As of the acquisition date the carrying value of the Group’s investments in subsidiaries is eliminated on consolidation with that part of the subsidiaries’ equity which corresponds with the Group’s held interest equity.

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group’s interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Allocation of transferred payment in exchange for the acquiree

As at the acquisition date, the Parent Entity attributes the consideration transferred in exchange for the acquiree, including identifiable assets, liabilities and contingent liabilities of the acquiree, according to their fair value as at this day, with the exception to non-current assets (or the group of assets to be abandoned) classified as "held for sale", which are measured at their fair value less costs to sale.

The Parent Entity recognises separately identifiable assets, liabilities and contingent liabilities at the acquisition date only if they meet the following criteria at that date:

- when an asset is not an intangible asset, an inflow of all future economic benefits related to that asset is probable and its fair value can be reliably measured;
- when a liability is not a contingent liability, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and its fair value can be reliably measured;
- fair value of an intangible asset or a contingent liability can be reliably measured.

Goodwill

As at the acquisition date, the Group recognizes the goodwill acquired as part of the acquisition of business entities as an asset, and it is initially measured at its purchase price.

After initial recognition, the Group measures the goodwill acquired as part of the acquisition of business entities at the purchase price less the total impairment losses to date.

If the Group's interest in net fair value of identifiable assets, liabilities and contingent liabilities exceeds the acquisition cost, the Group:

- reassess all of the assets acquired, all of the liabilities assumed and the consideration transferred,

and then:

- recognizes the remaining gain in the profit or loss.

The Group may adjust the provisional amounts recognized at the acquisition date during the 12 months period.

FOREIGN CURRENCY TRANSACTIONS

Transactions in foreign currencies are translated to the functional currency of Group entities (PLN) at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the average exchange rate of the National Polish Bank at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the average exchange rate of the National Polish Bank at the end of the reporting period.

The rates below have been adopted for the balance sheet valuation:

	31.12.2024	31.12.2023
EUR	4,2730	4,3480

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at average exchange rate of the National Polish Bank at the date that the fair value was determined.

Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of available-for-sale equity instruments, a financial liability designated as a hedge of the net investment in a foreign operation, or qualifying cash flow hedges, which are recognised in other comprehensive income. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

INTANGIBLE ASSETS

Definition

Intangible assets include property rights acquired by the Group, with an anticipated economic useful life exceeding one year, intended to be used by the Group itself. A component of intangible assets is recognized when it is probable that the company will achieve future economic benefits which can be assigned to a given component and when the purchase price or the cost of manufacturing a given asset can be reliably determined. In particular:

- Goodwill,
- Software licences,
- Copyrights,
- Concessions, patents, utility and decorative designs and trademarks,
- Know-how,
- Customer relations,
- Other intangible assets.

Initial measurement of intangible assets

The initial value of intangible assets is the acquisition cost, which includes the purchase price and other expenditure directly attributable to acquiring the intangible assets.

Subsequent expenditure

Expenses incurred thereafter are capitalized if they give rise to a new asset that meets the criteria in IAS 38. Expenditures incurred thereafter are capitalized if they give rise to a new asset that meets the criteria of IAS 38. Other expenditure, including internally generated expenditure: trademarks, goodwill and brand are recognized as profit or loss of the current period as incurred.

Amortization

Amortization of intangible assets is calculated for all intangible assets, excluding goodwill and intangible assets with an indefinite useful life. While determining the useful life, the period of generating economic benefits in taken into consideration. If it is hard to determine the reasonable economic useful time or there is no certainty of any expected measurable benefits, the Group recognize the intangible assets in profit or loss for the period.

The following amortization rates are adopted for intangible assets:

- licenses – software 33,3%

- copyrights 10% - 20%
- trademarks 5% - 10%
- know-how 10%
- relations with customers 5%
- other intangible assets 20%

Review of amortization rates and possible impairment

The depreciation rates applied to intangible assets are verified no later than at the end of the financial year. If there is a need to correct the applied depreciation rates - the adjustment is made in the following year and in subsequent financial years.

Not later than at the end of the financial year, intangible assets are also verified in terms of the existence of premises for impairment and the need to make revaluation write-offs due to impairment. These write-offs are charged to other operating costs not later than on the reporting date, ie in the period in which impairment was identified.

For the value of intangible assets with an indefinite useful life and goodwill, the Group performs an annual impairment test by comparing the carrying amount of a given component with its recoverable amount, regardless of whether there are any indications that such impairment may have occurred..

Measurement of intangible assets at the reporting date

At the reporting date the Group measures the intangible assets at the acquisition cost less accumulated amortization and any accumulated impairment losses.

PROPERTY, PLANT AND EQUIPMENT

Definition

Property, plant and equipment include tangible assets held by the Group for economical use (useful and intended to be used by the Group), the expected useful lives of which exceed one year.

Property, plant and equipment shall include in particular:

- Land,
- Buildings and constructions,
- Technical equipment and machinery,
- Vehicles,
- Other tangible fixed assets (furniture etc.),
- Fixed assets under construction.

The initial measurement of tangible fixed assets

The initial value of tangible fixed assets is the purchase price or production cost.

The initial value of fixed assets includes their purchase price increased by all costs directly related to the purchase and adaptation of the asset to a usable condition. The cost also includes the cost of replacing components of machines and devices when incurred, if the recognition criteria are met. Costs incurred

after the date of putting the fixed asset into service, such as maintenance and repair costs, are charged to profit or loss when incurred.

The purchase price or the cost of manufacturing an item of property, plant and equipment include:

- the purchase price, including import duties and non-deductible purchase taxes, less trade discounts and rebates.
- all other directly identifiable costs incurred to bring the asset to a location and condition in which it can function as intended by management.
- the estimated costs of dismantling and removing the asset, and the site renovation costs, to which the entity is obligated to acquire an item of property, plant and equipment or use an item of property, plant and equipment during the period for purposes other than manufacturing.

Subsequent expenditure

Subsequent expenditures on replacing parts of an item of property, plant and equipment are capitalized and increase the initially recognized cost of an asset. Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the part will flow to the Group and its cost can be measured reliably. The carrying amount of the removed parts of assets is derecognized. Expenditures on the day-to-day maintenance of property, plant and equipment are recognized as a gain or loss for the period in which they were incurred.

Each component of property, plant and equipment items whose acquisition price is material in comparison with the purchase price of the entire item is depreciated separately

Depreciation

Depreciation write-offs are made in relation to the value subject to depreciation, which is the purchase price or the cost of production of a given asset, less its residual value.

Depreciation is calculated over the depreciable amount, which is the cost of an asset less its residual value. Tangible fixed assets, excluding lands and fixed assets under construction, are depreciated monthly for the period of economic useful life, using a straight-line method and following depreciation rates:

buildings and constructions	2,5% - 4,5%
investments in third parties' property, plant and equipment	from 7,7% (dependent on the duration of the agreement)
technical equipment and machinery	10% - 60%
vehicles	14% - 20%
other tangible fixed assets	20%

Depreciation of tangible fixed assets is carried out using the straight-line method, from the month of acceptance for use. Depreciation is charged monthly.

In the event that a specific item of property, plant and equipment consists of separate and significant parts with different useful lives, these parts are treated as separate assets.

Profits or losses on the sale, liquidation or cessation of use of tangible fixed assets are defined as the difference between the sales revenue and the net value of these tangible fixed assets and are recognized in the profit and loss account.

Review of depreciation rates and possible impairment

The depreciation rates and methods applied to property, plant and equipment are subject to verification no later than at the end of the financial year. If it is found necessary to make adjustments to the applied rates and depreciation methods - the adjustment is made in the following year and subsequent financial years.

No later than at the end of the financial year, tangible fixed assets are also verified in terms of the existence of premises for impairment and the possible need to write downs.

The element indicating the need to make an impairment loss is the recognition that an asset is highly probable that the asset will not bring the expected economic benefits in a significant part or in full in the future. Impairment occurs, for example, in the event of a decommissioning or recall of a component.

Revaluation write-offs should be made no later than on the reporting date (i.e. for the period in which impairment was found) and charged to other operating costs.

Measurement of property, plant and equipment at the reporting date

Tangible fixed assets are measured at the reporting date at cost i.e. either at acquisition price or construction cost less accumulated depreciation and any accumulated impairment losses.

Tangible fixed assets under construction are presented in the financial statements at cost of manufacturing less impairment losses. The cost of manufacturing includes charges and borrowing costs activated in accordance with accounting policy, specified in the point 2.2.10.

The stocktaking of tangible fixed assets

The stocktaking of tangible fixed assets is performed every four years.

LEASE

At the time of entering into a contract, the Company assesses whether the contract is or includes a lease. A contract is a lease or contains a lease if it transfers the right to control the use of an identified asset for a given period in return for consideration.

The Company applies a uniform approach to the recognition and measurement of all leases, except for short-term leases and low-value asset leases. At the commencement date of the lease, the Company recognizes the right-of-use asset and liability from leasing.

ASSETS DUE TO RIGHT OF USE

The Group recognizes assets due to the right of use on the date of beginning of the lease (the day when the asset is available for use). Assets due to the right to use are valued at cost, minus total depreciation and impairment losses, adjusted for any revaluation of lease liabilities. The cost of assets due to the right to use includes the amount of lease liabilities recognized, initial direct costs incurred and any lease payments paid on or before the start date, minus any leasing incentives received. Unless the Group has sufficient certainty that at the end of the lease period it will obtain the ownership title to the leased asset, recognized assets under the right to use are amortized using the straight-line method over the shorter of the two periods: estimated useful life or lease period. Assets due to the right to use are subject to impairment tests.

BORROWING COSTS

The costs of external financing, directly related to the purchase or production of adapted assets, are added to the production costs of such tangible fixed assets until the tangible fixed assets are put into use. These costs are reduced by the revenues obtained from the temporary investment of funds obtained for the production of a given asset.

Borrowing costs include interest and other costs incurred by the Group in connection with borrowing funds.

All other borrowing costs are charged directly to the profit and loss account in the period in which they were incurred.

INVESTMENT PROPERTY

Investment property comprises property held in order to earn rentals or derive economic benefits resulting from capital appreciation.

Investment property is initially measured at its manufacturing or acquisition costs after taking into account transaction costs. At the reporting date investment property is measured at acquisition or manufacturing cost less accumulated depreciation and any accumulated impairment losses in accordance with accounting policies applied for tangible fixed assets.

SHARES IN ASSOCIATES AND ENTITIES UNDER COMMON CONTROL

Shares are valued at the equity method. In the case of impairment, no later than at the end of the reporting period, the value of shares is decreased by a write-off expressing the impairment.

When determining the useful value, the Group takes into account the cash flows generated by the respective assets and liabilities held by associates and entities under common control.

LONG-TERM RECEIVABLES

Long-term receivables include receivables whose repayment date will be longer than one year from the end of the reporting period.

This part of long-term receivables that is to be repaid within one year from the end of the reporting period is presented in short-term receivables.

Long-term receivables consist mainly of pre-paid deposits, which relate to long-term lease agreements for locations, and security of bank guarantees and security for the purchase of non-current assets.

LONG-TERM PREPAYMENTS

Long-term accruals include the long-term part of, among others, the following items:

- prepaid subscription, insurance,
- alcohol permits,
- prepaid other services (eg commissions, insurance).

At each reporting date the analysis is made of long-term prepayments.

The assessment is made by the Group, taking into consideration the rational factors and the knowledge of the individual components of the prepayments.

NON-CURRENT ASSETS AND DISPOSAL GROUPS HELD FOR SALE

Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

The Group classifies a non-current asset or disposal group comprising assets and liabilities as held for sale when its carrying amount will be recovered principally through a sale transaction rather than through its continuing use.

This situation takes place if following conditions are fulfilled:

- the asset is available for immediate sale in its present condition and its sale is highly probable,

- there must be commitment to a plan to sell by an appropriate level of management,
- that plan must have been initiated,
- the assets (or disposal group) must be actively marketed at a reasonable price that is reasonable in relation to the asset's fair value,
- there must be an expectation that the sale will be completed within one year of the classification of assets or a disposal group as held for sale, and activities required to fulfil the plan indicate that it is unlikely to provide significant changes to the plan or that the plan will be obsolete.

Intangible assets and property, plant and equipment once classified as held for sale or distribution are not amortised or depreciated.

INVENTORIES

Inventories are assets:

- held for sale in the ordinary course of business,
- materials or supplies purchased to be consumed for own use.

Initial measurement

The Group uses the same method of calculating the acquisition price in case of all the positions.

The purchase price comprises all purchase costs and other costs incurred in bringing the inventories to their present location and condition.

Inventory purchase costs include the purchase price, import duties and other taxes (other than those recoverable later by the Group from tax offices) as well as costs of transport, loading and unloading and other costs directly attributable to the goods.

When determining the purchase costs, discounts, trade rebates (bonuses from suppliers calculated from the turnover) and other similar items are deducted.

Outflows are determined using the weighted average method. Under the weighted average method, the cost of each item is calculated on the basis of the weighted average cost or cost of similar inventory items at the beginning of the period and the cost or cost of similar inventory items purchased or produced during the period. The weighted average is converted when goods are received in the warehouse.

Measurement of inventories at the reporting date

Inventories are measured at the lower of cost and net realisable value. Acquisition or construction cost is determined using the the weighted average method. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and sale.

The Group identifies following circumstances that lead to write-down of the inventories, to the level of net realisable value:

- decline of net realisable value (damage, expired etc.)
- the level of inventories exceeding the demand and selling possibilities,
- low rotation of inventories,
- selling prices of inventories are below their carrying amounts.

If the acquisition cost is higher than the net selling price at the reporting date, the inventories are written down to the value of their selling prices.

The amount of any write-down of inventories is recognised in costs of goods sold.

NON DERIVATIVE FINANCIAL INSTRUMENTS

Classification of financial assets

Financial assets are classified into the following valuation categories:

- measured at amortized cost,
- measured at fair value through profit or loss,
- measured at fair value through other comprehensive income.

Valuation at the moment of initial recognition

At the time of initial recognition, financial assets are measured at fair value, increased, in the case of investments not classified as measured at fair value through profit or loss, transaction costs that can be directly attributed to the acquisition of these financial assets.

Discontinuation of recognition

The Group ceases to recognize a financial asset in the statement of financial position in the event of the expiry of the right to receive economic benefits and incur related risks or transfer them to third parties.

Valuation after initial recognition

For the purpose of valuation after initial recognition, financial assets are classified in one of four categories:

- Debt instruments measured at amortized cost,
- Debt instruments measured at fair value through other comprehensive income,
- Equity instruments measured at fair value through other comprehensive income,
- Financial assets at fair value through profit or loss.

Debt instruments - financial assets at amortized cost

A financial asset is measured at amortized cost if both of the following conditions are met:

- the financial asset is held in accordance with the business model, the purpose of which is to maintain financial assets for obtaining cash flows arising from the contract, and
- the contractual terms relating to a financial asset cause cash flows to occur at specified times, which are only repayment of the principal and interest on the principal outstanding.

In the category of financial assets measured at amortized cost, the Group classifies:

- trade receivables,
- loans held to obtain cash flows,
- cash and cash equivalents.

Interest income is calculated using the effective interest rate method and is shown in the profit and loss account under the item Financial income.

Debt instruments - financial assets at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

- the financial asset is maintained in accordance with the business model, which is aimed both at receiving cash flows resulting from the agreement and the sale of financial assets; and
- the contractual terms relating to a financial asset cause cash flows to occur at specified times, which are only repayment of the principal and interest on the principal outstanding.

Interest income, foreign exchange differences and impairment gains and losses are recognized in profit or loss and calculated in the same way as financial assets measured at amortized cost. Other changes in fair value are recognized in other comprehensive income. Upon cessation of the recognition of a financial asset, the total profit or loss previously recognized in other comprehensive income is reclassified from equity to the financial result.

Interest income is calculated using the effective interest rate method and is shown in the profit and loss account under the item Financial income.

In the category of debt instruments measured at fair value through other comprehensive income, the Group qualifies loans that arise from financing needs in the Group.

Capital instruments - financial assets at fair value through other comprehensive income

At the moment of initial recognition, the Group may make an irrevocable choice regarding the recognition in other comprehensive income of subsequent changes in the fair value of investments in an equity instrument that is not intended for trading or is a conditional consideration recognized by the acquirer in the merger of entities to which IFRS 3 applies This choice is made separately for each equity instrument. Accumulated profits or losses previously recognized in other comprehensive income are not reclassified to profit or loss. Dividends are recognized in the profit and loss account when the entity's right to receive dividends is established, unless these dividends clearly represent the recovery of part of the investment costs.

In the category of equity instruments measured at fair value through other comprehensive income, the Group qualifies shares in other entities, purchased options, warrants.

Financial assets at fair value through profit or loss

A financial asset that does not meet the measurement criteria at amortized cost or at fair value through other comprehensive income is measured at fair value through profit or loss.

The gain or loss on the valuation of debt investments at fair value is recognized in profit or loss.

Dividends are recognized in the profit and loss account when the entity's right to receive dividends arises.

In the category of equity instruments measured at fair value through the financial result, the Group qualifies shares of other entities.

Financial liabilities

Subsequent to initial recognition financial liabilities are measured at amortised cost using the effective interest method, excluding:

- financial liabilities designated as at fair value through profit or loss,

- financial liabilities recognized as a result of reclassification of financial assets that are not qualified to be derecognized,
- financial guarantees contracts,
- obligations to grant low-interest or interest-free loans,
- contingent payment recognized by the acquirer in a business merger to which IFRS applies.

Offsetting financial assets and financial liabilities

In a situation where the Group:

- has a valid legal title to offset the amounts included and
- it intends to settle on a net basis or at the same time realize an asset and perform an obligation

the financial asset and financial liability are compensated and disclosed in the statement of financial position at the net amount.

DERIVATIVES

The Group uses derivative financial instruments to hedge against interest rate risk.

Derivative financial instruments are initially recognized at fair value; the related transaction costs are recognized in the profit and loss account when incurred. After initial recognition, the Group measures derivative financial instruments at fair value, gains and losses resulting from changes in fair value are recognized as follows.

Hedge accounting

Hedge accounting is used to reflect the risk hedging principles applied by the Group in accounting, and in particular to symmetrically recognize in the income statement compensating changes in the cash flows of the hedging instrument and the hedged item.

For the purposes of hedge accounting, the Group designates hedging instruments so that the change in their cash flows fully or partially covers the change in future cash flows of the hedged item.

The Group applies hedge accounting if all of the following conditions specified in IFRS 9 are met:

1 the hedging relationship includes only eligible hedging instruments and eligible hedged items;

2 at the inception of the hedging relationship, the hedging relationship has been formally designated and documented, as well as the risk management objective and hedging strategy;

3 the hedging relationship meets all of the following hedge effectiveness requirements:

   a there is an economic relationship between the hedged item and the hedging instrument;

   b the credit risk does not have a predominant effect on the changes in value due to the economic relationship mentioned; and

   c the hedge ratio of a hedging relationship is the same as that resulting from the amount of the hedged item that the entity actually hedges and the amount of the hedging instrument that the entity actually uses to hedge that amount of the hedged item.

As part of hedge accounting, the Group uses cash flow hedge accounting.

Cash flow hedge accounting

A cash flow hedge is a hedge of exposure to cash flow volatility that is attributable to a particular type of risk associated with the entire recognized asset or liability, or all or components of an unrecognized firm commitment (such as all or part of future interest payments on floating-rate debt) or with a highly probable planned transaction that could affect the financial result.

The cash flow hedge is recognized in the books as follows:

1 the separate component of equity related to the hedged item (cash flow hedge reserve) is adjusted for the lower of the following amounts (in absolute terms):

   a the gains or losses on the hedging instrument accumulated since the inception of the hedge; and

   b the cumulative change in the fair value (present value) of the hedged item (ie the present value of the cumulative change in the hedged expected future cash flows) since the inception of the hedge;

2 the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge (ie the portion that is offset against the change in the cash flow hedge reserve calculated in (a)) is recognized in other comprehensive income;

3 any remaining gain or loss on the hedging instrument (or any gain or loss required to offset the change in the cash flow hedge reserve calculated in (a)) is a hedge ineffectiveness that is recognized in profit or loss.

The effective part of the hedge is transferred to the financial result as an adjustment resulting from reclassification in the period or periods when the hedged expected future cash flows affect the financial result.

Discontinuation of the use of hedge accounting

The Group discontinues hedge accounting only when the hedging relationship (or part of the hedging relationship) no longer meets the qualifying criteria (taking into account, if applicable, rebalancing of the hedging relationship). This includes cases where the hedging instrument expires or is sold, terminated or exercised, as well as when the risk management objective changes to the risk management objective set out in the documentation of the hedging relationship.

If cash flow hedge accounting is discontinued and the hedged future cash flows are still expected to occur, the amount accumulated in the cash flow hedge reserve remains in equity until the future cash flows occur or until the cash flow hedge reserve is there will be no cumulative loss if the Group expects all or part of that loss not to be recovered in at least one future period. When future cash flows occur, the amount is transferred to profit or loss as a reclassification adjustment in the period or periods when the hedged expected future cash flows affect profit or loss.

Other non-trading derivatives

When a derivative financial instrument is not held for trading and is not designated as a hedging instrument, all changes in its fair value are recognized immediately as profit or loss of the current period.

TRADE RECEIVABLES AND OTHER SHORT-TERM RECEIVABLES

Trade receivables

Trade receivables comprise receivables resulting from realized supplies or rendered services due within 12 months and more than 12 months of the reporting date.

Other short-term receivables

Other short-term receivables comprise receivables due within 12 months of the reporting date excluding trade receivables.

Valuation of trade receivables and other short-term receivables at the end of the reporting period

In the case of trade receivables, the Group applies a simplified approach and measures the allowance for expected credit losses in an amount equal to lifetime expected credit losses using a provision matrix. The Group uses its historical data on credit losses, adjusted where applicable for the impact of forward-looking information.

The Group assesses the degree of probability of payment of receivables by contractors from the beginning of their creation. If receivables are disclosed whose repayment by the buyers is at risk or the enforcement of which may pose difficulties, they are updated by making a revaluation write-down in the profit and loss account

Write-offs updating the value of receivables

The Group applies the expected credit loss model.

When assessing impairment, the Company uses historical trends to estimate the probability of arrears and the timing of payment as well as the value of losses incurred, adjusted for the estimates of the Management Board assessing whether the current economic and credit conditions indicate that the actual level of losses should be significantly different from the level of losses resulting from historical assessments trends. Details are provided in point 2.2.22.

Write-downs revaluing receivables are created for:

- receivables from debtors in bankruptcy or liquidation - up to the amount of receivables not covered by a guarantee or other security,
- debts from debtors in the event of dismissal of the bankruptcy petition, when the debtor's assets are insufficient to cover the costs of bankruptcy proceedings - up to the full amount,
- receivables questioned by debtors - up to the amount not covered by the security,
- overdue or not yet overdue receivables, but with a high degree of probability that these receivables will become past due - in the amount reliably estimated by the Group (based on past experience, reliably conducted analyzes, forecasts, etc.),
- receivables brought to court - in the amount of 100% of the value of the receivable.

Write-downs of receivables include not only the events that occurred up to the reporting date, but also those disclosed later, until the date of approval of the financial statements by the Management Board for publication, if these events relate to a receivable recognized in the books as at the reporting date.

The Group also creates provisions for expected credit losses due to granted loan guarantees.

Write-downs of the value of receivables are charged to other operating costs, and if they concern interest - to financial costs.

Valuation of trade receivables and other receivables at the reporting date

In the case of trade receivables, the Group applies a simplified approach and measures the write-down for expected credit losses in the amount equal to expected credit losses over the whole life using the reserve

matrix. The Group uses its historical data on credit losses, adjusted, where applicable, for the impact of future information.

The Group assesses the probability of payment of receivables by counterparties from the beginning of their creation. If receivables whose repayment by buyers is threatened or whose enforcement may cause difficulties are disclosed, they are updated by making a write-down in the profit and loss account.

Valuation of receivables denominated in foreign currency at the reporting date

Receivables denominated in foreign currencies are valued at least as at the reporting date using the exchange rate of the National Bank of Poland as at the balance sheet date.

Exchange differences related to receivables denominated in foreign currencies, arising as at the date of their valuation, are recognized as financial income or expense, respectively.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash at hand and in bank accounts as well as bank deposits payable on demand, other safe short-term investments with an original maturity of up to three months from the date of their establishment, receipt, acquisition or issue and high liquidity. Cash and cash equivalents also include interest on cash equivalents.

SHORT-TERM PREPAYMENTS

Short-term prepayments include the short-term part of the following main items:

- prepaid electricity and central heating,
- prepaid subscriptions, insurance,
- alcohol permissions,
- property tax,
- prepayments for other services (e.g. telecommunications).

Short-term prepayments are analyzed at each reporting date.

The assessment is made by the Group based on reasonable criteria and knowledge about each prepayment.

IMPAIRMENT

Financial assets (including receivables)

The Group assesses the expected credit losses related to debt instruments carried at amortized cost and fair value through other comprehensive income, irrespective of whether there is any indication of impairment.

The factors determining the impairment of financial assets (including equity instruments) are included:

- default or delinquency by a debtor, whereas the Group regularly monitors the debtors ability to repay their debts,
- restructuring of an amount due to the Group on terms that the Group would not consider otherwise,
- indications that a debtor or issuer will enter bankruptcy,
- the disappearance of an active market for a security,

– for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

When assessing the impairment for groups of assets, the Group uses historical trends to estimate the probability of occurrence of arrears and the date of payment and the value of losses incurred, adjusted by the Management Board's estimates assessing whether current economic and credit conditions indicate that the actual level of losses would significantly differ from the level of losses resulting from from the assessment of historical trends.

Non-financial assets

The carrying amounts of the Group's non-financial assets, other than biological assets, investment property, inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time. The recoverable value of assets or cash-generating units is estimated at the end of financial year.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit, or CGU").

The Group assesses goodwill impairment by grouping cash-generating units so that the level of the organization, not higher than the separate operating segment on which this assessment is carried out, reflects the lowest level of the organization at which the Group monitors goodwill for internal purposes.

For the purposes of impairment tests, goodwill acquired in the process of business combination is allocated to those cash-generating units for which the synergy effects from the combination are expected to be obtained.

Joint assets do not generate separate cash inflows. If there is an indication of impairment of joint assets, then the recoverable amount is determined for those cash generating units to which joint assets belong.

An impairment loss is recognized when the carrying amount of an asset or cash-generating unit exceeds its recoverable amount. Impairment losses are recognized in the profit and loss account. Impairment of a cash-generating unit is first recognized as a decrease in the goodwill assigned to that unit (group of units), and then as a reduction in the carrying amount of the remaining assets of this unit (group of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. Goodwill that forms part of the carrying amount of an investment in an associate is not recognized separately, and therefore is not tested for impairment separately. Instead, the entire amount of the investment in an associate is tested for impairment as a single asset when there is objective evidence that the investment in an associate may be impaired.

EQUITY

Ordinary shares

Ordinary shares are classified as equity.

Repurchase of treasury shares

When share capital recognized as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognized as a deduction from equity. At the time of sale or re-issue, the amounts received are recognized as an increase in capital, and the resulting surplus or shortfall in relation to this transaction is recognized as capital from the issue of shares above their nominal value (reserve capital).

The amount reserved for repurchase of share capital, based on the Shareholders' Meeting's resolution, is presented in equity as separate capital reserves.

Distribution of financial result

Distribution of the financial results of subsidiaries is reflected in the consolidated financial statements in accordance with Resolutions of the subsidiaries without making any additional consolidation eliminations.

LONG-TERM LIABILITIES

Long-term liabilities comprise liabilities due to be settled after 12 months from the end of the reporting period.

Long-term liabilities include mainly:

- loans and borrowings,
- lease liabilities,
- deposits from subtenants of wholesale surface,
- liabilities due to emission of bonds.

Measurement of the long-term liabilities

At as the reporting date long-term liabilities are measured at amortized cost using the effective interest method, except for obligations to acquire non-controlling interests.

Measurement of long-term liabilities denominated in foreign currency

Foreign currency liabilities are measured at least at the reporting date using the spot exchange rate.

Foreign currency gains and losses from valuation of long-term liabilities are recognized in finance income or costs accordingly.

Liabilities due to acquire non-controlling shares

The valuation of the put option of non-controlling shareholders, the execution of which implies the obligation to purchase non-controlling interests for Eurocash, is recognized as a remaining liability in connection with the option to purchase/sell shares. Liabilities to acquire non-controlling shares are recognized in the amount of the most probable redemption price for these shares based on the ratios contained in investment contracts, the individual values of which come from the financial plans of the companies. The liability value calculated in this way is discounted to the present value.

At each subsequent balance sheet date, the liability is measured based on the current values of financial ratios.

Changes resulting from the current valuation are presented in equity.

SHORT-TERM LIABILITIES

Short-term liabilities comprise liabilities due to be settled within 12 months from the end of reporting period (excluding trade liabilities).

Short-term liabilities include mainly:

- loans and borrowings,
- finance liabilities due to lease,
- trade payables,
- taxation, social security and other benefits payables,
- payroll payables,
- liabilities due to financing of franchisees.

As part of trade payables, the Group presents liabilities covered by reverse leasing.

Valuation as at the reporting date of short-term liabilities denominated in a foreign currency

Liabilities denominated in foreign currencies are valued at least at the end of the reporting period using the spot exchange rate.

Exchange differences related to short-term liabilities denominated in foreign currencies, arising as at the date of their valuation, should be included in financial income or expenses, respectively.

LOANS

The Group initially recognizes bank and other loans and debt securities at fair value of cash received decreased by any directly attributable transaction costs.

Subsequent to initial recognition loans and debt securities are measured at amortized cost using the effective interest method.

PROVISIONS

Provisions are recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Using the provisions may be made according to the time flow or benefit size. Time and method of settlement should be adequate to the character of expenses, according to the prudence method.

Provisions lower the expenses for the period, in which it was affirmed that the liabilities would not arise.

SALES REVENUES

The Group applies IFRS 15 Revenue from contracts with clients to all contracts with clients, with the exception of leasing agreements covered by the scope of IFRS 16 Leases, financial instruments and other

contractual rights and obligations falling within the scope of IFRS 9 Financial Instruments, IFRS 1 Consolidated Financial Statements, IFRS 11 Joint Findings contractual, IAS 27 Separate Financial Statements and IAS 28 Investments in Associates and Joint Ventures.

The basic principle of IFRS 15 is the recognition of revenues at the moment of the transfer of goods and services to the client, in a value reflecting the price expected by the entity, in exchange for the transfer of goods and services.

These rules are applied using the five-step model:

- a contract with the client has been identified,
- commitments to perform the service under the contract with the client have been identified,
- the transaction price was determined,
- the transaction price was allocated to individual liabilities and performance of the service,
- revenues are recognized when the contractual obligation is fulfilled.

Identification of the contract with the client

The Group recognizes the contract with the client only if all of the following criteria are met:

- the parties to the contract have entered into a contract (in writing, or in accordance with other usual commercial practices) and are required to perform their duties,
- the Group is able to identify the rights of each party regarding the goods or services to be transferred,
- the Group is able to identify the payment terms for goods or services to be transferred,
- the contract has economic content (i.e. it can be expected that the contract will change the risk, the time schedule or the amount of future cash flows of the entity),
- it is probable that the Group will receive a remuneration which it will be entitled to in exchange for goods or services that will be transferred to the client.

When assessing whether the receipt of the amount of remuneration is probable, the Group only considers the ability and intention to pay the amount of remuneration by the client in a timely manner. The amount of remuneration that will be due to the Group may be lower than the price specified in the contract if the remuneration is variable, because the entity may offer the customer a price concession.

Determining the transaction price

In order to determine the transaction price, the Group takes into account the terms of the contract and the usual commercial practices. The transaction price is the amount of remuneration which, in line with the Group's expectations, will be payable in exchange for the transfer of promised goods or services to the client, with the exception of amounts collected on behalf of third parties (eg certain sales taxes). The remuneration specified in the contract with the client may include fixed amounts, variable amounts or both types of amounts.

Variable remuneration

If the remuneration specified in the contract includes a variable amount, the Group estimates the amount of remuneration to which it will be entitled in exchange for the transfer of the promised goods or services to

the client. The Group estimates the amount of variable remuneration using one of the following methods, depending on the type of contract:

- expected value - the sum of the products of the possible remuneration amounts and the corresponding probabilities of occurrence. The expected value may be an appropriate estimate of the amount of variable remuneration if the Group has a large number of similar contracts,
- the most probable value – It is the single most probable amount from the range of possible remuneration amounts (ie the single most probable outcome of the contract). The most likely value may be an appropriate estimate of the amount of variable remuneration if the contract has only two possible outcomes (eg the Group either earns a performance bonus or not).

Assigning the transaction price to the obligations to perform the service

The Group assigns a transaction price to each obligation to provide the service (or a separate good or separate service) in an amount that reflects the amount of remuneration which, as expected by the Group, is due in exchange for the transfer of promised days and services to the client.

Fulfilling obligations to perform the service

The Group recognizes revenue when it meets (or in the course of fulfilling) the obligation to perform the service by transferring the promised good or services to the client.

Remuneration of the principal and remuneration of the intermediary

If another entity is involved in providing goods or services to the customer, the Group determines whether the nature of the Group's promise is an obligation to provide certain goods or services (in this case the Group is the principal) or on behalf of another entity to provide these goods or services (in this case the Group is an intermediary).

The group is the principal if it exercises control over the promised good or service prior to their commandment to the client. However, an entity does not have to act as principal if it obtains a legal title to the product only temporarily before it is transferred to the customer. An entity appearing in the contract as the principal may itself fulfill the obligation to perform the service or may entrust the fulfillment of this obligation or part thereof to another entity (eg subcontractor) on its behalf. In this situation, the Group recognizes revenue in the gross amount of remuneration to which it is expected to be entitled in exchange for goods or services transferred.

The Group acts as an intermediary if its obligation to perform the service consists in ensuring delivery of goods or services by another entity. In such a case, the Group recognizes revenue in the amount of any fee or commission to which it is expected to be entitled in exchange for ensuring delivery of goods or services by another entity.

FINANCE INCOME AND COSTS

Finance income comprises interest income on funds invested (including available-for-sale financial assets), dividend income, profit on sale of financial assets, changes in the fair value of financial assets at fair value through profit or loss, and gains on hedging instruments that are recognized in the income statement.

Interest income

Interest income is recognized as it accrues in profit or loss on accrual basis, using the effective interest method.

Dividend income

Dividend income is recognized when the shareholders' right to receive it is established.

Financial costs include interest costs related to external financing, reversal of discounts on recognized provisions, changes in the fair value of financial instruments measured through profit or loss, impairment losses on financial assets and losses on hedging instruments recognized in the profit and loss account.

Borrowing costs that are not directly attributable to the acquisition, production, construction or production of specific assets are recognized in the profit and loss account using the effective interest rate method.

Foreign exchange gains and losses are recognized on a net basis as financial income or expense, depending on their total net position.

GOVERNMENT GRANTS

If there is reasonable certainty that the subsidy will be obtained and that all related conditions will be met, then government subsidies are recognized at their fair value.

If the subsidy concerns a given cost item, then it is recognized as a reduction of costs which the subsidy is intended to compensate. If the subsidy relates to an asset, then its fair value is recognized as a decrease in the value of the relevant fixed asset, and then gradually, by equal annual write-offs, is recognized in profit or loss over the estimated useful life of the related asset.

EMPLOYEE BENEFITS

Long-term employee benefits

The Group recognizes expenses regarding pension plans and other employee benefits for the post-employment period by defining benefit pension obligation.

The calculation of Employee benefits reserves is performed using the projected unit credit method. The calculation is performed by a qualified actuary. The liability is recognized on an accrual basis and measured in the discounted present value of benefits, that employees have earned as at the reporting date, adjusted by personnel and demographic movements indexes.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

The Group recognizes liability for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

The Group has the costs associated with the operation of Employee Capital Plans ("PPK") by making contributions to the pension fund. They are the post-employment benefits in the form of a defined contribution plan. The Group recognizes the costs of payments for PPK in the same cost item in which it recognizes the remuneration costs from which they are calculated. PPK liabilities are presented as part of Current employee benefits.

Payments in the form of stock options

Payment programs in the form of option instruments convertible into the Company's shares enable employees to take up the Company’s shares. Fair value of granted options for shares is recognized as a separate position in general and administrative expenses, with a corresponding increase in equity (reserve capital). Fair value is measured as at the grant date and recognized over the period that the 3employees become unconditionally entitled to realize the options. The amount recognized as an expense is adjusted

to reflect the number of awards for which the related service and non-market vesting conditions are expected to be fulfilled.

Fair value of employee share options is measured using the Black-Scholes formula. Measurement inputs include the share price as at the measurement date, exercise price of the instrument, expected volatility (based on the weighted average historical volatility adjusted for changes expected due to publicly available information), expected weighted average life of the instruments (based on historical experience and general option holders' behavior), expected dividends, and the risk-free interest rate (based on government bonds). Service and non-market performance conditions attached to the transactions are not taken into account in determining fair value.

INCOME TAX

Income tax covers the current and deferred part. Current and deferred income tax is recognized as profit or loss of the current period, except when it concerns a business combination and items recognized directly in equity or as other comprehensive income.

Current tax is the expected amount of liabilities or receivables due to tax on taxable income for a given reporting period, calculated on the basis of the tax result (tax base) of a given reporting period and adjusted by adjustments of tax liability regarding previous reporting periods. Tax income differs from gross book profit (loss) due to the exclusion of certain categories of balance sheet revenues as not subject to taxation and balance sheet expense, not constituting tax deductible costs and items of costs and revenues that will never be subject to taxation or reduce the tax base in subsequent years . Tax burdens are calculated based on tax rates applicable in a given reporting period.

Deferred tax is calculated using the balance sheet method as a tax to be paid or returned in the future on temporary differences between the balance sheet values of assets and liabilities and the corresponding tax values used to calculate the tax base.

Deferred tax provision is created from all positive temporary differences

- except when the provision for deferred tax arises as a result of the initial recognition of goodwill or initial recognition of an asset or liability when a transaction is not a business combination and does not affect gross profit or loss or taxable income or tax loss, and
- in the case of positive temporary differences arising from investments in subsidiaries or affiliates and interests in joint ventures - except when the dates of reversal of temporary differences are subject to investor control and when it is probable that the temporary differences will not be reversed in the foreseeable future.
- Deferred tax assets are recognized for all deductible temporary differences as well as unused tax credits and unused tax losses carried forward to the following years, in the amount in which it is probable that taxable income will be achieved, which will allow to use the abovementioned taxable profit. differences, assets and losses
- except when deferred tax assets related to deductible temporary differences arise as a result of the initial recognition of an asset or liability when a transaction is not a business combination and have no effect on gross profit or loss or taxable income tax loss, and
- in case of negative temporary differences due to investments in subsidiaries or affiliates and shares in joint ventures, the deferred tax asset is recognized in the balance sheet only in the amount in which it is probable that in the foreseeable future the above-mentioned temporary differences will be reversed and taxable income will be achieved, which will allow deduction of negative temporary differences,

- assets and provisions are created in relation to leasing assets and liabilities arising at the same time.

The value of deferred tax assets is analyzed at the end of each reporting period, and if the expected future tax profits are not sufficient to realize an asset or its part, it is recognized to the realizable value.

Deferred tax assets and deferred tax provisions are valued using tax rates that are expected to apply in the period when the asset is realized or the provision is released, based on tax rates (and tax regulations) in force as at the balance sheet date or those whose validity is certain in the future as at the balance sheet date.

Income tax relating to items recognized outside profit or loss is recognized outside profit or loss: in other comprehensive income, for items recognized in other comprehensive income or directly in equity for items recognized directly in equity.

Deferred income tax assets and deferred tax liabilities are offset if the Group has a legally enforceable right to offset current tax liabilities and assets and provided that the deferred income tax assets and reserves relate to income tax imposed by the same tax authority for the same taxpayer.

UNCERTAIN TAX TREATMENT

If according to the Group's assessment it is probable that the tax authorities will accept an uncertain tax treatment or a group of uncertain tax treatments, the Group determines taxable income (tax loss), tax base, unused tax losses and unused tax credits and tax rates, after considering in its tax return the applied or planned approach to taxation.

If the Group ascertains that it is not probable that the tax authorities will accept an uncertain tax treatment or a group of uncertain tax treatments, the Group reflects the impact of this uncertainty in determining taxable income (tax loss), unused tax losses, unused tax credits or tax rates. The Group accounts for this effect using the following methods:

- determining the most probable amount – it is a single amount from among possible results,
- providing the expected amount – it is the sum total of the amounts weighted by probability from among possible results.

When assessing the uncertainty, the requirements of IAS12, IFRIC23 are taken into account, the Group creates tax liabilities / provisions, respectively.

DISCONTINUED OPERATIONS

A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations that has been disposed of or is held for sale, or is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale. When an operation is classified as a discontinued operation, the comparative statement of comprehensive income is represented as if the operation had been discontinued from the start of the comparative period.

EARNINGS PER SHARE

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted

average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

OPERATING SEGMENTS

An operating segment is a component of the Group:

- which engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses that relate to transactions with any of the Group's other components);
- which results are reviewed regularly by the Group's CEO to make decisions about resources to be allocated to the segment and assess its performance;
- for which discrete financial information is available.

Segment results that are reported to the Management Board include items that can be directly attributed to a given segment and indirect items that can be reasonably assigned to it, items not allocated to segments include mainly assets related to the general management of the Group (essentially the Parent Entity headquarters), administrative costs of the office, income tax assets and liabilities.

Capital expenditures in a given segment include expenditures incurred for the purchase of property, plant and equipment and intangible assets other than goodwill..

2.3. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS PREPARED FOR THE PERIOD FROM 01.01 TO 31.12.2024

NOTE 1.

ASSETS CLASSIFIED AS HELD FOR SALE AND RELATED LIABILITIES OF THE SUBSIDIARY INMEDIO SP. Z O.O.

In connection with the review of strategic options, which Eurocash S.A. informs about in current reports and separate and consolidated financial statements, the Management Board of Eurocash S.A. decided to sell all of its shares in Inmedio Sp. z o.o. As of 31 December 2024, Eurocash S.A. holds 51% of shares in Inmedio Sp. z o.o.

In connection with the above, a transaction advisor was engaged to prepare and conduct the process of active search for an investor for Inmedio sp. z o.o., to whom Eurocash S.A. will sell its shares in Inmedio Sp. z o.o., subject to receiving from the investor an offer that will be rational in relation to the fair value of Inmedio Sp. z o.o.

The process of active search for a buyer is ongoing.

In connection with the above, in the statement of financial position for 2024, Eurocash S.A. presented reporting items concerning Inmedio sp. z o.o. in two separate items as "Assets classified as held for sale" and "Liabilities directly related to assets held for sale".

Inmedio Sp. z o.o. - Assets classified as held for sale and Liabilities directly related to assets held for sale	As at 31.12.2024
Non-current assets	**163 346 137**
Goodwill	47 027 613
Intangible assets	10 502 835
Property, plant and equipment	33 393 748
Long-term receivables	268 733
Deferred tax assets	4 878 746
Other long-term prepayments	105 073
Right of use assets	67 169 389
Current assets	**114 446 874**
Inventories	62 793 882
Trade receivables	10 590 430
Other short-term receivables	455 395
Short-term prepayments	172 985
Cash and cash equivalents	40 448 818
Total assets	**277 807 648**
Liabilities	**118 529 083**
Non-current liabilities	**45 253 356**
Other long-term liabilities	1 956 402
Provisions	2 918 000
Long-term lease liabilities	40 378 954
Current liabilities	**73 275 727**
Trade payables	39 899 643
Current tax liabilities	200
Other short-term payables	3 230 729
Current employee benefits	57 701
Provisions	965 955
Short-term lease liabilities	29 121 498

NOTE 2.

OPERATING SEGMENTS

The Group distinguishes the following segments, which adequately demonstrate the diverse nature of its activities:

- *Wholesale* - this is the activity of the Eurocash Group regarding the result on B2B sales to franchise stores and non-associated stores. The segment includes wholesale operations carried out by the following distribution formats and companies: Eurocash Cash & Carry, Eurocash Alkohole, Eurocash Serwis Sp. z o.o., Eurocash Trade 1 Sp. z o.o. and Polska Dystrybucja Alkoholi Sp. z o.o. w likwidacji as well as sales transacted by those distribution formats whose clients have long-term agreements with Eurocash Group, e.g. franchise systems Groszek, Lewiatan, Gama, Eurosklep, Abc or clients from the HoReCa segment, as well as operations of such a franchise systems as: Lewiatan, Groszek and Euro Sklep. The segment involves the operations of the following companies: Eurocash S.A., Eurocash Sieci Partnerskie Sp. z o.o., Euro Sklep S.A., Lewiatan Śląsk Sp. z o.o., Lewiatan Podlasie Sp. z o.o., Lewiatan Holding S.A., Lewiatan Zachód Sp. z o.o., Lewiatan Wielkopolska Sp. z o.o., Lewiatan Kujawy sp. z o.o., Lewiatan Opole Sp. z o.o., Lewiatan Orbita Sp. z o.o., Lewiatan Północ Sp. z o.o., Lewiatan Podkarpacie Sp. z o.o. Moreover, this segment includes sales transacted by the Eurocash Gastronomia format, as well as sales realized by Eurocash Dystrybucja under entity Eurocash S.A. and sales realized by Cerville Investments Sp. z o.o., Ambra Sp. z o.o., 4vapers Sp. z o.o. and Innowacyjna Platforma Handlu Sp. z o.o.

- *Retail* – Is the activity of the Eurocash Group regarding the result on B2B sales to the Delikatesy Centrum franchise network and B2C sales carried out by its own stores Delikatesy Centrum, Arhelan, Lewiatan (part of Partner Sp. z o. o.) and Inmedio. Retail sales of Eurocash Group companies conducted within the following companies: Inmedio Sp. z o. o., Rogala Sp. z o. o., FHC-2 Sp. z o. o., Partner Sp. z o. o., Arhelan Sp. z o. o., Delikatesy Centrum Sp. z o. o., as well as within the "Delikatesy Centrum" franchise network organized by Eurocash Franczyza Sp. z o. o. as part of sales to customers of this franchise system by Eurocash S.A., and the fresh products distribution project conducted by the Eurocash Group. The Retail segment also includes the activities of non-operating companies of EKO Holding S.A. w ikwidacji, subsidiaries Rogala Sp. z o. o., Arhelan Sp. z o. o. and Eurocash Nieruchomości Sp. z o. o.,

- *Projects* – this operating segment comprises the Group's new projects and retail formats in their initial phase of development, operating as the following entities: ABC na kołach Sp. z o.o., Duży Ben Sp. z o.o. In addition, the segment includes the activities of the subsidiary Frisco S.A. developing activities in the e-commerce sector and its subsidiaries. In 2024, a decision was made to finish the development of the Kontigo project and to terminate the operations of Kontigo Sp. z o.o. by 31.12.2024. On 16.12.2024, the liquidation of this company was opened.

- *Other* – covers the activities of service and non-operating companies including Eurocash VC3 Sp. z o.o., Akademia Umiejętności Eurocash Sp. z o.o. and the Group’s general and administrative expenses not allocated to any operating segment.

There are varying levels of relationships between the segments in the Group. These relationships include mutual sales of merchandise, provision of marketing services, logistics, administrative support, and other services. The accounting policies of each specific reporting segment are the same as the policies of the whole Group.

Eurocash Group operates only in the territory of Poland which, considering the economic conditions and business risks, can be treated as a uniform territory.

In the FMCG retail and wholesale sector, sales in the first quarter of the year are traditionally lower than in the remaining quarters. Highest sales are generated in the summer season, to flatline in Q4.

Basic information regarding each reportable segment is presented below:

REVENUES AND PROFITS BY BUSINESS SEGMENTS IN THE PERIOD FROM 01 JANUARY 2024 TO 31 DECEMBER 2024						
	Wholesale	**Retail**	**Projects**	**Other**	**Exclusions**	**Total**
Sales	**26 002 534 254**	**10 555 089 145**	**1 087 613 611**	**2 684 757**	**(5 406 781 395)**	**32 241 140 372**
External sales of goods	23 127 815 828	7 924 615 072	1 066 600 254	-	-	32 119 031 154
Other external sales	36 258 596	84 857 431	981 218	11 972	-	122 109 218
Inter-segmental sales	2 838 459 830	2 545 616 643	20 032 139	2 672 784	(5 406 781 395)	-
Operating profit	**494 624 588**	**69 528 719**	**(105 283 932)**	**(174 315 284)**	**-**	**284 554 090**
Finance income						68 409 272
Finance costs						(318 596 491)
Share in losses of companies consolidated with the equity method						1 118 072
Profit before income tax						**35 484 943**
Income tax						(31 643 716)
Net profit (loss)						**3 841 227**

REVENUES AND PROFITS BY BUSINESS SEGMENTS IN THE PERIOD FROM 01 JANUARY 2023 TO 31 DECEMBER 2023						
	Wholesale	**Retail**	**Projects**	**Other**	**Exclusions**	**Total**
Sales	**26 096 751 205**	**10 647 503 419**	**947 353 672**	**4 729 153**	**(5 244 374 905)**	**32 451 962 545**
External sales of goods	23 411 312 711	7 995 148 385	924 628 979	-	-	32 331 090 075
Other external sales	36 834 182	82 604 777	1 433 511	-	-	120 872 470
Inter-segmental sales	2 648 604 313	2 569 750 257	21 291 183	4 729 153	(5 244 374 905)	-
Operating profit (loss)	**574 721 673**	**118 740 428**	**(94 717 734)**	**(162 750 166)**	**-**	**435 994 202**
Finance income						67 121 368
Finance costs						(308 196 275)
Share in losses of companies consolidated with the equity method						77 016
Profit (loss) before income tax						**194 996 311**
Income tax						(50 274 268)
Net profit (loss)						**144 722 043**

NOTE 3.

GOODWILL AND INTANGIBLE ASSETS

Goodwill and intangible assets are presented in table below.

GOODWILL AND INTANGIBLE FIXED ASSETS IN THE PERIOD FROM 01.01 TO 31.12.2024						
	Goodwill	Patents and licences	Trademarks	Customer relations	Other intangible assets	Total
Carrying amount as at 01.01.2023	**2 138 258 890**	**87 130 813**	**75 936 484**	**115 239 984**	**43 770 022**	**2 460 336 193**
Other acquisitions	0	27 413 078	0	0	22 147 220	**49 560 297**
Transfer of fixed assets under construction	0	16 743 142	0	0	(15 823 348)	**919 795**
Disposals	0	(1 796 486)	0	0	(129 347)	**(1 925 833)**
Liquidations	0	(463)	0	0	(179 611)	**(180 074)**
Amortisation	0	(52 916 667)	(87 551)	(12 500 000)	(5 023 202)	**(70 527 420)**
Other changes	0	0	0	0	1 399 014	**1 399 014**
Carrying amount as at 31.12.2023	**2 138 258 890**	**76 573 417**	**75 848 933**	**102 739 984**	**46 160 747**	**2 439 581 971**
Carrying amount as at 01.01.2024	**2 138 258 890**	**76 573 417**	**75 848 933**	**102 739 984**	**46 160 747**	**2 439 581 971**
Intangible assets held for sale	(47 027 613)	0	(10 436 561)	0	(66 274)	**(57 530 448)**
Other acquisitions	0	46 953 023	0	0	1 842 493	**48 795 516**
Transfer of fixed assets under construction	0	4 957 038	0	0	2 424 600	**7 381 638**
Disposals	0	(337)	0	0	(10 049)	**(10 387)**
Liquidations	0	(36 273)	0		(111 509)	**(147 782)**
Amortisation	0	(47 459 576)	0	(12 500 000)	(10 392 763)	**(70 352 339)**
Other changes	0	(234 955)	0	0	26 186	**(208 769)**
Carrying amount as at 31.12.2024	**2 091 231 278**	**80 752 336**	**65 412 372**	**90 239 984**	**39 873 431**	**2 367 509 401**
As at 31.12.2023						
Cost	2 138 258 890	450 845 583	138 873 370	315 673 264	157 950 289	3 201 601 397
Accumulated amortisation	-	(374 272 167)	(63 024 436)	(212 933 280)	(111 789 542)	(762 019 425)
Carrying amount	**2 138 258 890**	**76 573 417**	**75 848 933**	**102 739 984**	**46 160 747**	**2 439 581 971**
As at 31.12.2024						
Cost	2 091 231 278	502 484 079	128 436 809	315 673 264	162 055 736	3 199 881 166
Accumulated amortisation	-	(421 731 743)	(63 024 435)	(225 433 280)	(122 182 306)	(832 371 764)
Carrying amount	**2 091 231 278**	**80 752 336**	**65 412 372**	**90 239 984**	**39 873 432**	**2 367 509 400**

Goodwill presented in the consolidated statement of financial position consists of the following items (chronological):

1. goodwill on acquisition of an organized part of "Carment, M. Stodółka i Wspólnicy Spółka Jawna" enterprise in the amount of PLN 11.565.477 (included in Retail segment impairment test),
2. goodwill on acquisition of "KDWT S.A" in the amount of PLN 22.103.227; (included in Wholesale segment impairment test),
3. goodwill on acquisition of "Eurocash Dystrybucja Sp. z o.o." (former “McLane Polska Sp. z o.o.”) in the amount of PLN 56.868.456 (included in Wholesale segment impairment test),
4. goodwill on acquisition of "Nasze Sklepy Sp. z o.o." in the amount of PLN 2.596.627 (included in Retail segment impairment test),

5. goodwill on acquisition of "Przedsiębiorstwo Handlowe Batna Sp. z o.o." in the amount of PLN 29.180.412 (included in Wholesale segment impairment test),
6. goodwill on acquisition of Premium Distributors Group in the amount of PLN 226.352.528 (included in Wholesale segment impairment test),
7. goodwill on acquisition of PolCater Group in the amount of PLN 11.428.359 (included in Wholesale segment impairment test),
8. goodwill on acquisition of Tradis Group in the amount of PLN 684.865.254 (included in Wholesale segment impairment test),
9. goodwill on acquisition of Dziembor i Spółka Sp. z o.o in the amount of PLN 5.253.762 (included in Wholesale segment impairment test),
10. goodwill on acquisition of Przedsiębiorstwo Handlowo- Usługowe Noban sp. z o.o in the amount of PLN 991.988 (included in Wholesale segment impairment test),
11. goodwill on acquisition by Eurocash S.A. of FMCG Service sp. z o.o., in the amount of PLN 60.349.278 (included in Wholesale segment impairment test),
12. goodwill on acquisition by Eurocash S.A. of Inmedio sp. z o.o., in the amount of PLN 55.021.256 (included in Retail segment impairment test),
13. goodwill on acquisition by Eurocash S.A. of Firma Rogala Sp. z o.o. in the amount of PLN 37.315.064,31 (included in Retail segment impairment test),
14. goodwill on acquisition by Eurocash S.A. of FHC-2 Sp. z o.o. i Madas Sp. z o.o. in the amount of PLN 29.594.628,35 (included in Retail segment impairment test),
15. goodwill on acquisition by Eurocash S.A. of Polska Dystrybucja Alkoholi Sp. z o.o. in the amount of PLN 17.484.368,84 (included in Wholesale segment impairment test),
16. goodwill on acquisition by Eurocash S.A. of EKO Holding S.A. in the amount of PLN 144.583.970 (included in Retail segment impairment test),
17. goodwill on acquisition by Eurocash S.A. of Domelius Limited (Mila stores) in the amount of PLN 388.031.705 (included in Retail segment impairment test),
18. goodwill on acquisition by Partner Sp. z o.o.in the amount of PLN 64.223.250 PLN, (included in Retail segment impairment test),
19. goodwill on acquisition by MD Projekt Sp. z o.o. in the amount of PLN 3.365.937 PLN (included in Retail segment impairment test),
20. goodwill on acquisition by Frisco S.A. in the amount of PLN 195.033.111 PLN (included in Projects segment impairment test),
21. goodwill on acquisition by Eurocash S.A. of Arhelan Sp. z o.o. in the amount PLN 93 225 085 (included in Retail segment impairment test).

Customer relations has been identified through the acquisition of:

- Premium Distributors Group companies in the amount of PLN 49.000.000 (amortization period 10 years);
- Tradis Group in the amount of PLN 250.000.000 (amortization period 20 years),

- Group Service FMCG in the amount of PLN 14.473.264 (amortization period 5 years).

The Group has the following intangible assets that have key importance, therefore they have an indefinite useful life:

- "Eurocash" trademark with a carrying amount of PLN 27.387.672,
- "abc" trademark with a carrying amount of PLN 17.216.759,

After analysis in accordance with IFRS 38 point 90, the Group concludes that there is no foreseeable limit to the period over which the asset can be expected to generate net cash inflows for the group.

Amortization of intangible assets is recognized as selling expenses.

The Group did not make any goodwill impairment write-offs in 2024 and 2023.

The Group did not recognize any impairment losses in relation to intangible assets, what is expanded in Note 6.

NOTE 4.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are presented below.

PROPERTY, PLANT AND EQUIPMENT IN THE PERIOD FROM 01.01 TO 31.12.2024						
	Land and buildings	Plant and equipment	Vehicles	Other fixed assets	Fixed assets under construction	**Total**
Carrying amount as at 01.01.2023	**330 360 141**	**196 082 013**	**2 892 764**	**121 628 919**	**22 321 015**	**673 284 851**
Other acquisitions	19 260 981	41 635 426	4 237 448	35 616 785	55 572 540	**156 323 181**
Changes due to the transfer of fixed assets under construction	6 493 390	13 024 784	45 090	3 839 040	(25 405 468)	**(2 003 164)**
Disposals	(180 098)	(2 013 329)	(450 203)	(704 742)	(287 340)	**(3 635 711)**
Liquidations	(416 500)	(1 442 087)	(104 540)	(883 433)	(216 037)	**(3 062 597)**
Depreciation	(31 622 669)	(68 022 160)	(7 414 081)	(45 212 027)	0	**(152 270 937)**
Other changes	(3 996 799)	99 897	1 384 538	1 096 448	(4 919 684)	**(6 335 601)**
Carrying amount as at 31.12.2023	**319 898 446**	**179 364 544**	**591 015**	**115 380 990**	**47 065 026**	**662 300 022**
Carrying amount as at 01.01.2024	**319 898 446**	**179 364 544**	**591 015**	**115 380 990**	**47 065 026**	**662 300 022**
Fixed assets held for sale	(10 414 884)	(7 619 833)	(509 634)	(12 249 836)	(2 599 560)	**(33 393 748)**
Other acquisitions	9 926 449	64 364 236	3 782 844	68 090 650	13 088 375	**159 252 555**
Changes due to the transfer of fixed assets under construction	161 255	1 243 075	(3 782)	330 353	(9 560 541)	**(7 829 641)**
Disposals	(9 254 893)	(36 394 909)	(491 267)	(3 843 955)	(987 953)	**(50 972 977)**
Liquidations	(3 754 061)	(2 116 462)	(15 092)	(2 037 581)	(1 199 805)	**(9 123 001)**
Depreciation	(19 541 409)	(57 463 838)	(5 160 136)	(65 707 052)	0	**(147 872 435)**
Other changes	5 417 274	2 889 989	2 584 100	1 965 594	(4 992 439)	**7 864 519**
Carrying amount as at 31.12.2024	**292 438 176**	**144 266 803**	**778 048**	**101 929 163**	**40 813 104**	**580 225 295**
As at 31.12.2023						
Cost	765 073 446	737 090 844	165 904 847	671 338 560	47 530 843	2 386 938 540
Accumulated amortisation	(445 175 000)	(557 726 300)	(165 313 831)	(555 957 570)	(465 817)	(1 724 638 518)
Carrying amount	**319 898 446**	**179 364 544**	**591 016**	**115 380 990**	**47 065 026**	**662 300 022**
As at 31.12.2024						
Cost	757 154 585	759 456 940	171 252 015	723 593 786	41 278 921	2 452 736 248
Accumulated amortisation	(464 716 409)	(615 190 137)	(170 473 967)	(621 664 622)	(465 817)	(1 872 510 952)
Carrying amount	**292 438 176**	**144 266 803**	**778 048**	**101 929 163**	**40 813 104**	**580 225 295**

NOTE 5.

RIGHT OF USE

RIGHT OF USE IN THE PERIOD FROM 01.01 TO 31.12.2024					
	Land and buildings	Plant and equipment	Vehicles	Other fixed assets	Total
Carrying amount as at 01.01.2023	**1 676 233 319**	**25 893 421**	**197 192 839**	**5 352 177**	**1 904 671 756**
Increases due to the new agreements	91 471 565	0	31 485 038	0	**122 956 603**
Changes in conditions of contracts	293 044 674	15 612	30 099 041	0	**323 159 327**
Decrease of contracts scope	(14 198 120)	0	(1 243 847)	0	**(15 441 968)**
Depreciation	(328 140 767)	(178 016)	(78 417 864)	0	**(406 736 647)**
Other changes	(7 754 784)	0	0	0	**(7 754 784)**
Carrying amount as at 31.12.2023	**1 710 655 887**	**25 731 018**	**179 115 206**	**5 352 177**	**1 920 854 287**
Carrying amount as at 01.01.2024	**1 710 655 887**	**25 731 018**	**179 115 206**	**5 352 177**	**1 920 854 287**
Increases due to the new agreements	96 207 703	0	78 802 149	0	**175 009 852**
Changes in conditions of contracts	333 979 758	(15 076)	16 863 719	0	**350 828 401**
Decrease of contracts scope	(46 396 558)	0	(5 249 243)	0	**(51 645 801)**
Depreciation	(351 577 557)	(712)	(79 162 275)	0	**(430 740 544)**
Contracts for sale	(67 169 389)	0	0	0	**(67 169 389)**
Other changes	31 211 613	0	0	0	**31 211 613**
Carrying amount as at 31.12.2024	**1 706 911 456**	**25 715 230**	**190 369 556**	**5 352 177**	**1 928 348 419**
As at 31.12.2023					
Cost	3 245 998 613	34 458 481	542 474 983	10 889 747	3 833 821 824
Accumulated amortisation	(1 535 342 726)	(8 727 463)	(363 359 777)	(5 537 569)	(1 912 967 536)
Carrying amount	**1 710 655 887**	**25 731 018**	**179 115 206**	**5 352 177**	**1 920 854 287**
As at 31.12.2024					
Cost	3 629 789 515	34 443 405	632 891 609	10 889 747	4 308 014 276
Accumulated amortisation and write-down	(1 922 878 059)	(8 728 175)	(442 522 052)	(5 537 569)	(2 379 665 856)
Carrying amount	**1 706 911 456**	**25 715 230**	**190 369 556**	**5 352 177**	**1 928 348 419**

* Changes to contract terms include changes in estimates with respect to changes in the period or exercise of options

The total cash outflow from leasing in 2024 amounted to PLN 523.874.935 (in 2023 PLN 483.969.542).

The value of interest paid on contracts covered by IFRS 16 amounted to PLN 95.454.527 in 2024 (PLN 87.616.781 in 2023).

Excluded from recognition on the balance sheet are short-term and low-value leasing contracts, the total amount of which in 2024 amounted to approximately PLN 8.6 million (in 2023: approximately PLN 7.5 million). In this category, the Group includes the lease of, among others: cars, trolleys, containers.

NOTE 6.

IMPAIRMENT TESTS OF ASSETS

The Group performed impairment tests with regard to assets allocated to individual operating segments to which goodwill and intangible assets with an indefinite useful life are allocated. The tests were carried out for the following segments: Wholesale, Retail and Projects.

As at 31 December 2024, the Group performed impairment tests with respect to individual goodwill disclosed in the financial statements and determined the recoverable amounts of the cash-generating units to which these goodwill and trademarks are assigned.

The recoverable amount of individual units was compared with the carrying amount defined as the sum of assets (including current assets) of a given cash-generating unit, less short-term liabilities constituting part of working capital. For each impairment test, the recoverable amount was determined as the value of the tested cash-generating unit based on financial projections for 2025-2029 and the residual value after the detailed forecast period. Historical data for 2024 and plans for 2025-2029 approved by the Management Board of Eurocash S.A. were used to determine selected projection parameters.

Retail segment impairment test

The value in use of assets in the Retail segment was determined based on cash flow projections (discounted cash flow method), which were developed, among others, by under the following assumptions:

- a model for determining the recoverable amount prepared on the basis of the existing infrastructure and sales network (value in use), including central distribution of goods and sales to own and franchise stores,
- a 5-year detailed forecast period was adopted,
- the calculation of the cash flow projection takes into account the recognition of lease agreements in accordance with IFRS 16,
- the cash flow forecast takes into account the lack of deterioration of the epidemiological situation compared to the situation as at the date of approval of these financial statements,
- replacement capital expenditures in subsequent years were agreed to the approved investment budgets, including, among others, planned outlays on remodeling stores,
- in the residual period it was assumed to maintain a constant level of fixed assets
- in the period covered by the detailed analysis, an average annual increase in sales revenue of 5.1% was assumed (where in 2025 the assumed sales dynamics is higher than in the following years of the forecast) based on the development activities undertaken and plans of the Management Board, inflation assumptions and external analyzes of market development retail sales, while in the residual period a growth rate of 3.0% was assumed. The Management Board prepared sales growth plans and the results of the current structure of the retail network based on sales development plans in the currently existing locations, both in own stores and franchise outlets, based on forecasts related to, among others, with the planned activities aimed at optimizing the results of this sales channel.
- in the horizon of the detailed forecast, an increase in the level of gross margin by 1.1 p.p. was assumed. compared to the level achieved in 2024, except that the planned increase in the level of gross margin is achieved gradually throughout the forecast period,

– the level of working capital was projected on the basis of historical inventory turnover ratios, trade receivables and trade payables.

The discount rate used in the cash flows is consistent with the weighted average cost of capital (WACC), calculated based on the risk-free rate. Other elements used in the calculation, such as market risk premium, beta factor and capital structure are based on market data, adequate for the industry in which Eurocash operates. A specific risk premium appropriate for the Eurocash Group was also adopted. The weighted average cost of capital - WACC of 10.00% (2023: 10,90%) was adopted as the discount rate.

For the Retail segment, the deviation of the discount rate by +/- 0.25 p.p. would result in a decrease/increase in the surplus over the tested value by approximately PLN 100 million. Increasing/decreasing the discount rate by 0.25 percentage points. as well as reducing/increasing the margin by 0.25 p.p. does not lead to an impairment of the cash-generating unit to which goodwill is assigned.

Reducing the gross margin in the forecast horizon by 1.2% in relation to the assumed margin values in individual years of the forecast, with other parameters of the model unchanged, would equal the book value of assets of the center generating cash flows with the recoverable value.

In the case of the discount rate, there is no rational change to it. would equate the book value of assets of the cash-generating unit with the recoverable value.

The Management Board also prepared sales growth plans and the results of the current structure of the retail network based on sales development plans in the existing locations, both in own stores and franchise outlets, based on forecasts related to, among others, with the planned activities aimed at optimizing the results of this sales channel. The estimation of the value of the sum of discounted cash flows indicated a surplus over the book value of the assets.

Wholesale segment impairment test

The recoverable amount estimation model includes 5-year detailed cash flow projections, based on long-term plans to develop and increase sales within the existing distribution networks, in which period it was assumed, among others, an average annual increase in sales by 4.7% and a constant level of margin from 2026. The test assumed stabilization of cash flows, the discount rate used in the cash flows is consistent with the weighted average cost of capital (WACC), calculated on the basis of the risk-free rate.

Other elements used in the calculation, such as market risk premium, beta factor and capital structure are based on market data, adequate for the industry in which Eurocash operates – In relation to wholesale operations.

The weighted average cost of capital was adopted as the discount rate - WACC 8.30% (in 2023: WACC 8.60%).

The assumed growth rate in the residual period was 3.0%.

The tested value of assets (adjusted for trade liabilities) of PLN 867 million includes goodwill of PLN 1,114 million and right-of-use assets of PLN 611 million.

In the Group's opinion, any rational change in the key assumptions adopted for the measurement of the recoverable amount of individual cash-generating units will not cause the carrying amounts of these units to exceed their recoverable amounts.

Trademark impairment tests

The Company also conducted separate impairment tests for trademarks with an indefinite useful life related to wholesale operations:

- impairment test for the "Eurocash" trademark worth PLN 27 million as at 31 December 2024.
- impairment test for the “abc” trademark worth PLN 17 million as at 31 December 2024.

For the purposes of the test, the recoverable amount of the trademark was set at fair value less costs to sell using the royalty method.

The method of valuing a trademark based on market licensing fees consists in determining the present value of future economic benefits resulting from the possession of rights to the trademark. This method is based on the assumption that the benefits of owning a trademark are equal to the costs that a given entity would have to incur if it did not have the rights to the trademark, but only used it under a license agreement at the rates applicable on the market. The fair value was classified to level 3 of the hierarchy.

The way to determine the market level of the license fee is to forecast the sales of products marked with the trademark being valued and to determine the rate of the license fee for the use of this trademark. The license fee rate is determined on the basis of an analysis of trademark lease agreements between unrelated parties within a comparable market segment.

The tests were carried out based on financial projections for 2025-2029. Historical data for 2024 and approved by the Management Board of Eurocash S.A. were used to determine selected projection parameters. plans for 2025-2029. In order to determine the total sales level, increases in sales of locations existing as at the date of the test were forecast.

The weighted average cost of capital - WACC (from 9.30%) was adopted as the discount rate (in 2023: WACC from 9.60%).

As a result of the analysis, it was confirmed that there is no need to make individual write-downs on these assets.

Impairment tests of assets (including goodwill) in the Projects and other segment

For cash-generating units at the level of individual companies in this segment, the impairment indicators of assets were analyzed and appropriate estimates of the recoverable amount were made in the event of impairment indicators and for the units to which goodwill was allocated.

Frisco

For the Frisco cash-generating unit, impairment tests were carried out with respect to goodwill in the amount of PLN 195 million.

Based on analyzes of comparative transactions and market valuations with the support of independent specialists, the Management Board determined the fair value less costs of disposal of investments in assets shown in the balance sheet, which was recognized as recoverable value.

The fair value was determined using multiplier methods based on the EV/Sales ratio and including market multiples and transaction multiples. In the first case, the median of the EV/S ratio of comparable companies in Europe was determined, which was used to determine the recoverable amount based on the realized sales revenue in 2024, taking into account such elements as liquidity discount, control premium and costs of sale and liabilities leasing. Valuation using the EV/S transaction multiples method was based on comparable transactions, while the application of bonuses and discounts depended on the size of the stake covered by the comparable transaction and whether such comparable transaction included shares in a public or private company; on this basis, the median fair value was used to calculate the recoverable amount of assets, taking into account the sales revenues indicated above and the costs to sell.

As a result of the test, no impairment was identified as at 31 December 2024.

NOTE 7.

INVESTMENT PROPERTIES

Investment properties are presented below.

INVESTMENT PROPERTY AS AT 31.12.2024		
	as at 31.12.2024	as at 31.12.2023
Opening balance	**694 264**	**150 110**
Disposal	(476 860)	(189 570)
Depreciation	0	(14 276)
Other changes	(206 261)	748 000
Closing balance	**11 142**	**694 264**

NOTE 8.

INVESTMENTS IN COMPANIES VALUED USING THE EQUITY METHOD

Investments in companies valued using the equity method are presented below.

INVESTMENTS IN EQUITY ACCOUNTED INVESTEES AS AT 31.12.2024		
	as at 31.12.2024	as at 31.12.2023
Opening balance	**13 663 103**	**13 586 088**
Increase in reporting period:	**1 118 072**	**77 015**
Interest in profit	1 118 072	77 015
Closing balance	**14 781 175**	**13 663 103**

Entity Partnerski Serwis Detaliczny S.A. is valued using the equity method.

NOTE 9.

OTHER LONG-TERM INVESTMENTS

Other investments are presented below.

OTHER LONG-TERM INVESTMENTS AS AT 31.12.2024		
	as at 31.12.2024	as at 31.12.2023
Shares in other entities	436 480	436 480
Receivables due to security instruments (IRS)	613 388	883 476
Total other long-term financial assets	**1 049 868**	**1 319 956**

NOTE 10.

LONG-TERM RECEIVABLES

Long-term receivables are presented below.

LONG-TERM RECEIVABLES AS AT 31.12.2024		
	as at 31.12.2024	as at 31.12.2023
Security deposits on rental agreements	16 731 144	17 450 484
Other long-term receivables	0	6 986
Total long-term receivables	**16 731 144**	**17 457 469**

NOTE 11.

OTHER LONG-TERM PREPAYMENTS

Other long-term prepayments are presented below.

	as at 31.12.2024	as at 31.12.2023
Services accounted over time	2 400 143	3 421 784
Alcohol licences	6 641 835	0
IT licences	75 545	35 596
Rental of premises - premium	237 343	476 622
Commissions	3 354 379	6 149 463
Other prepayments	788 069	216 791
Total other long-term prepayments	**13 497 313**	**10 300 256**

NOTE 12.

INVENTORIES

Inventories are presented below.

	as at 31.12.2024	as at 31.12.2023
Merchandise	1 996 688 680	1 998 757 721
Total inventories, including:	**1 996 688 680**	**1 998 757 721**
nominal value of inventory deposits securing payments of liabilities	108 000 000	144 060 300

* Presentation of Goods and Materials and advance payments jointly due to immateriality

ALLOWANCE FOR INVENTORIES IN THE PERIOD FROM 01.01. TO 31.12.2024		
	from 01.01.2024 to 31.12.2024	from 01.01.2023 to 31.12.2023
Opening balance	**57 726 981**	**53 787 346**
- increase in the allowance during the period *	0	3 939 634
- write-offs during the period *	(14 191 598)	0
Closing balance	**43 535 383**	**57 726 981**

* net value

NOTE 13.

TRADE AND OTHER RECEIVABLES

Trade receivables and other receivables are presented below.

TRADE RECEIVABLES AND OTHER RECEIVABLES AS AT 31.12.2024		
	as at 31.12.2024	as at 31.12.2023
Trade receivables	**1 199 554 654**	**1 331 906 355**
Receivables from clients	494 441 411	673 757 115
Receivables from suppliers	600 507 267	556 440 620
Receivables from franchisees *	6 233 043	11 086 912
Other trade receivables	112 129 835	97 034 636
Allowance for trade receivables	(28 186 974)	(27 641 033)
Franchise fees	14 430 072	21 228 105
Current tax assets	**926 284**	**7 236 337**
Other receivables	**217 502 109**	**252 957 970**
VAT settlements	174 376 423	187 123 203
Receivables from employees	249 594	621 193
Insurance claims receivables	0	524 895
Receivables from sales fixed assets	316 140	558 050
Receivables subject to legal proceedings	60 855 657	59 977 177
Receivables from sales of terminals	759 084	3 298 988
Other receivables (irrelevant individually)	20 646 665	19 686 727
Allowance for other bad debts **	(60 221 005)	(59 155 673)
Receivables due to payments by card	20 519 549	40 323 409
Total receivables, including:	**1 417 983 047**	**1 592 100 662**
- long-term	0	0
- short-term	1 417 983 047	1 592 100 662

* receivables from franchisees transferred for financing relate to receivables for supplies and services from franchisees, which have been covered by factoring agreements with recourse
** mainly due to court cases receivables

As at 31 December 2024 (values as at 31 December 2023 are given in brackets), receivables covered by factoring reduce the total amount of trade receivables in the amount of: "program 1" – PLN 6.2 (11.1) million, "program 2" – PLN148,8 (145,1) million, "program 3" – PLN49,3 (48,7) million and "program 4" – PLN 206,4 (97,4) million and "program 5" - PLN 88,0 (50,0) million.

The amounts reducing receivables were transferred to the Group's bank accounts and were recognized in the cash item. The receivables factoring programs used by the Group are characterized by different conditions due to their specific features: "program 1" - used to extend financing for the Group's franchisees, who receive funds in the full amount of the receivable on the due date, "program 2" and "program 4" and "program 5" – allows the Group to receive cash in connection with the assignment of receivables from a selected debt portfolio, "program 3" - discounts all invoices of selected two clients of the Group at 100% of their value. Only in "program 2", "program 4" and "program 5" the cash in the account is lower than the value of receivables submitted for assignment to the factor, the value of which as at 31 December 2024 amounted to PLN 232,9 million (206,3 PLN million) in the case of "program 2", in the case of "program 4" – PLN 252,3 million (PLN 231,5 million) and in the case of "program 5" – PLN 123,8 million (PLN 79,2 million) . In accordance with the Group's judgment, the Group neither transfers nor retains substantially all the risks and rewards associated with ownership of the transferred asset and retains control (taking into account

the impracticability of selling the insured receivables by the factor) over the transferred asset and therefore recognizes transferred asset to the extent that it maintains involvement in it, i.e. in the amount of the difference between the value of the assigned portfolio and the amount paid by the factor.

The Group's credit risk in relation to receivables differs for individual groups of counterparties with which the Group cooperates. The Group monitors the amount of overdue receivables on an ongoing basis and, in justified cases, makes legal claims.

NOTE 14.

SHORT-TERM INVESTMENTS

OTHER SHORT-TERM INVESTMENTS AS AT 31.12.2024		
	as at 31.12.2024	as at 31.12.2023
Receivables due to security instruments (IRS)	462 535	0
Other short-term investments	25 000 000	110 250
Total other short-term investments	**25 462 534**	**110 250**

NOTE 15.

SHORT-TERM PREPAYMENTS

Short-term prepayments are presented below.

SHORT-TERM PREPAYMENTS AS AT 31.12.2024		
	as at 31.12.2024	as at 31.12.2023
IT services	6 580 208	5 979 497
Alcohol licences	8 125 994	6 410 432
Rentals	5 660 584	5 724 209
Media	286 479	202 472
Insurances	7 202 986	6 101 876
Revenue of future periods	2 542 784	0
Lease of commercial premises	459 758	683 639
Annual fees, subscriptions	161 444	279 352
Expenses related to future transactions	0	300 603
Commissions	6 176 195	4 505 417
Time-based services	1 271 425	4 015 702
Other short-term prepayments	10 595 151	9 494 745
Total other short-term prepayments	**49 063 007**	**43 697 944**

NOTE 16.

CASH AND CASH EQUIVALENS

Cash and cash equivalents are presented below.

CASH AND CASH EQUIVALENTS AS AT 31.12.2024		
	as at 31.12.2024	as at 31.12.2023
Cash at bank	208 902 509	117 592 492
Cash on hand	6 803 674	6 085 608
Cash in transit	50 976 167	99 798 304
Cash on short-term deposits	89 161 495	25 602 645
Cash restricted to use	6 128 989	17 497 755
Money vouchers	21 075	0
	41 385 697	7 176 204
Total cash	**403 379 606**	**273 753 008**

Restrictions on the disposal of cash in VAT accounts do not affect the classification as "cash and equivalents".

NOTE 17.

SHARE CAPITAL

Information on the share capital is presented in the tables below.

As of 31 December 2024, share capital consisted of 139.163.286 ordinary shares, including:

- 127.742.000 A series ordinary shares to the bearer with the nominal value of 1 PLN each
- 3.035.550 B series ordinary shares to the bearer with the nominal value of 1 PLN each
- 2.929.550 C series ordinary shares to the bearer with the nominal value of 1 PLN each
- 830.000 D series ordinary shares to the bearer with the nominal value of 1 PLN each
- 1.414.900 E series ordinary shares to the bearer with the nominal value of 1 PLN each
- 537.636 F series ordinary shares to the bearer with the nominal value of 1 PLN each
- 997.000 G series ordinary shares to the bearer with the nominal value of 1 PLN each
- 1.011.000 H series ordinary shares to the bearer with the nominal value of 1 PLN each
- 183.000 I series ordinary shares to the bearer with the nominal value of 1 PLN each
- 482.650 M series ordinary shares to the bearer with the nominal value of 1 PLN each.

Motivational and Bonus Program for Employees

On 30 June 2022, the General Meeting of the Company, by resolution No. 25, established the Incentive and Bonus Program for Employees from 2022 (hereinafter referred to as the "Program") for certain key employees of the Company and companies directly or indirectly related by capital to the Company (hereinafter referred to as the "Eurocash Group"). The program is a continuation of motivational programs

addressed to managers, executives and employees who are fundamental to the activities of the Eurocash Group, enabling outstanding people to take up shares in the Company as a bonus.

In connection with the Program, the Company will issue 278,326 (two hundred and seventy-eight thousand three hundred and twenty-six) registered Series P Bonds, each with a nominal value of PLN 1 (one), each of which will entitle to subscribe and take up 25 (twenty-five) Series N Shares with priority before the Company's shareholders. The Series P Bonds will be redeemed by the Company on 3 July 2028 by paying a cash amount equal to the nominal value of the Series P Bonds. The persons entitled under the Program to purchase all or part of the Series P Bonds will be only managers, members of the management staff and persons of fundamental importance for the activities of the Eurocash Group, employed and performing their duties for a period of 3 years starting from 1 January 2022.

The program will be implemented only if (i) the consolidated operating profit (EBIT) of the Company's Capital Group in 2025 amounts to at least PLN 600,000,000 or (ii) the average price of the Company's shares on the Warsaw Stock Exchange. (calculated as the average of the closing prices on each trading day) in the six-month period between 1 July 2024 and 31 December 2025 will be at least PLN 30.

The list of persons initially eligible for the Program was adopted in the above-mentioned resolution No. 25 of the Ordinary General Meeting of the Company of 30 June 2022, and then - in accordance with the above-mentioned regulation. resolutions of the General Meeting - in a resolution of the Company's Supervisory Board.

The structure of shareholders with more than 5% of the total number of voting rights is presented below:

Shareholding structure above 5%

	31.12.2024				31.12.2023			
Shareholder	Number of shares	Share in share capital (%)	Number of votes	Share in total number of votes (%)	Number of shares	Share in share capital (%)	Number of votes	Share in total number of votes (%)
Luis Amaral (directly and indiriectly by Politra B.V. S.a.r.l and Western Gate Private Investments Ltd.)	61 287 778	44,04%	61 287 778	44,04%	61 287 778	44,04%	61 287 778	44,04%
Generali PTE S.A.*	9 880 009	7,10%	9 880 009	5,68%	7 905 306	5,68%	7 905 306	5,68%
PTE Allianz Polska S.A	7 110 507	5,11%	7 110 507	5,11%	7 110 507	5,11%	7 110 507	5,11%
FMF LLC **	6 980 160	5.02%	6 980 160	5.02%	0	0,00%	0	0,00%

Luis Amaral holds a total of 44.04% of the shares of Eurocash S.A. directly and indirectly through:

- Politra B.V. S.A.R.L. with its registered office in Luxembourg, whose only shareholder holding 100% shares is Portugese Private Investment Ltd. with its registered office in Great Britain, whose only shareholder is Luis Amaral,
- Western Gate Private Investments Ltd. with its registered office in Great Britain, whose only shareholder is Portugese Private Investment Ltd. with its registered office in Great Britain, whose only partner is Luis Amaral.

Luis Amaral, through Politra B.V., a company he controls, s.a.r.l. (as the legal successor of Politra B.V.), pursuant to § 13 sec. 2 of the Statute of Eurocash S.A., has the right to appoint 3 out of 5 members of the Supervisory Board of Eurocash S.A., i.e. appoints the majority of its composition. In turn, the Supervisory Board of Eurocash S.A. appoints and dismisses (all) Members of the Management Board of Eurocash S.A. (§ 15 section 1 point (iv) of the Eurocash Statute) - thus Luis Amaral (through the company Politra B.V. s.a r.l. he controls), has influence over the appointment of members of the Management Board of Eurocash S.A., and thus exercises control over Eurocash S.A. The above right to appoint 3 out of 5 members of the Supervisory Board of Eurocash S.A. is vested in Politra as long as it holds at least 30% of shares in the share capital of Eurocash S.A.

* The numbers of shares of Generali PTE S.A. and PTE Allianz Polska S.A. were indicated in accordance with the list of shareholders holding at least 5% of votes at the Ordinary General Meeting (the Company informed about this in current report no. 8/2024).

** The number of shares of FMR LLC was indicated in accordance with the content of the notification received by the Company about the acquisition of a significant block of shares giving over 5% of the total number of votes to the Company in 2024 (notification about which the Company informed in current report no. 12/2024).

Changes in the initial capital were as follows.

SHARE CAPITAL IN THE PERIOD FROM 01.01 TO 31.12.2024		
	for the period from 01.01.2024 to 31.12.2024	for the period from 01.01.2023 to 31.12.2023
Share capital at the beginning of the period	**139 163 286**	**139 163 286**
Increase of share capital in the period	**0**	**0**
Incentive programs for employees	0	0
Share capital at the end of the period	**139 163 286**	**139 163 286**

Capital on valuation of hedging transactions

The capital from the valuation of hedging instruments is related to the applied hedges of *Interest Rate Swap* and amounted to PLN 3.730.425 as at 31 December 2024 and PLN 8.256.604 as at 31 December 2023, taking into account the effect of deferred income tax. The change in the valuation in the reporting period is related to the change in market interest rates and was fully recognized in equity due to the documentation in place establishing the relationship between the hedged item and the hedging instrument and the full effectiveness of the hedge.

NOTE 18.

PROVISIONS AND ACCRUALS

Provisions and accruals are presented below.

PROVISIONS AND ACCRUALS IN THE PERIOD FROM 01.01 TO 31.12.2024			
	Employee benefits	Accrual for costs of transport	Accrual for advertising costs
Provisions and accruals as at 01.01.2023	**197 531 513**	**19 613 779**	**20 706 507**
Increases*	348 497	0	0
Decreases*	(28 994 459)	(395 861)	(749 191)
Provisions and accruals as at 31.12.2023, including:	**168 885 550**	**19 217 918**	**19 957 316**
- short-term	159 376 025	19 217 918	19 957 316
- long-term	9 509 525	0	0
Provisions and accruals as at 01.01.2024	**168 885 550**	**19 217 918**	**19 957 316**
Liabilities related to assets held for sale	(57 701)	0	(2 918 000)
Increases*	0	0	0
Decreases*	(10 226 151)	(1 178 216)	(1 091 183)
Provisions and accruals as at 31.12.2024, including:	**158 601 698**	**18 039 701**	**15 948 133**
- short-term	149 683 635	18 039 701	15 948 133
- long-term	8 918 063	0	0

* net value

	Provision for interests	Accrual for costs of media	Other	Total
Provisions and accruals as at 1 January 2023	**15 573 624**	**46 597 607**	**205 692 467**	**505 715 497**
Increases*	11 373 160	10 739 779	0	22 461 436
Decreases*	0	0	(22 742 527)	(52 882 039)
Provisions and accruals as at 31 December 2023, including:	**26 946 784**	**57 337 386**	**182 949 941**	**475 294 894**
- short-term	26 946 784	57 337 386	182 591 910	465 427 338
- long-term	0	0	358 031	9 867 556
Provisions and accruals as at 1 January 2024	**26 946 784**	**57 337 386**	**182 949 941**	**475 294 894**
Liabilities related to assets held for sale	0	0	(965 955)	(3 941 657)
Increases*	0	0	0	0
Decreases*	(3 938 703)	(14 150 430)	(48 538 831)	(79 123 513)
Provisions and accruals as at 31 December 2024, including:	**23 008 081**	**43 186 956**	**133 445 155**	**392 229 724**
- short-term	23 008 081	43 186 956	133 445 155	383 022 518
- long-term	0	0	0	9 207 206

* net value

PROVISIONS AS AT 31.12.2024		
	as at 31.12.2024	as at 31.12.2023
Employee benefits	8 918 063	9 509 525
Current employee benefits	149 683 635	159 376 025
Accrual for advertising costs	15 948 133	19 957 316
Accrual for intrests	23 008 081	26 946 784
Accrual for costs of media	43 186 956	57 337 386
Accrual for advisory and audit	3 351 138	3 684 645
Accrual for costs of transport	18 039 701	19 217 918
Accrual for rental costs	17 196 823	26 705 087
Accural for IT modernist works	3 749 889	4 305 571
Accrual for concessions	945 621	1 987 419
Court cases, potential disputes and receivables canceled	4 833 142	14 799 708
Other provisions and accruals	103 368 541	131 467 511
PROVISIONS TOTAL	**392 229 724**	**475 294 894**
- long-term	9 207 206	9 867 556
- short-term	383 022 518	465 427 338

Provisions and liabilities for employee benefits

Provisions and liabilities for employee benefits include i.a. provision for retirement, disability and post-mortem severance pays in the amount of PLN 10.513.828 (the remaining part relates mainly to payroll liabilities and holiday leave provisions).

The provision for retirement benefits was calculated with the help of an actuary. In actuarial valuations, min. discount rates 5,8%.

Provision for the costs of advertising and marketing

Provision for advertising and marketing costs include mainly provisions related to the allocation of the marketing services provided by the receivers.

It is expected that these provisions will be realized within 12 months from 31 December 2024.

Provision for interest

Provision applies to the estimated costs associated with unpaid liabilities for which contractual dates passed as of 31 December 2023.

It is expected that the reserve will be completed within 12 months from 31 December 2024.

NOTE 19.

TRADE AND OTHER PAYABLES

Trade and other payables are presented below.

TRADE AND OTHER PAYABLES AS AT 31.12.2024		
	as at 31.12.2024	as at 31.12.2023
Trade payables	**4 840 205 066**	**4 654 723 282**
Payables due to purchase of goods	4 519 342 145	4 337 945 225
"- including: supplier financing program	*1 716 017 980*	*1 405 186 288*
Payables due to services received	176 449 854	183 281 111
Payables due to reversal of remuneration	144 413 067	133 496 946
Current tax liabilities	**25 678 067**	**27 520 619**
Other payables	**180 593 439**	**282 458 408**
VAT settlements	24 038 613	34 909 649
Liabilities due to purchases of assets	24 131 643	15 668 269
Liabilities due to social securities	70 010 286	70 289 864
Liabilities due to taxes and insurances	14 090 615	13 394 806
Liabilities from deposit	4 169 837	21 794 051
Option for purchase/selling the shares	44 046 627	104 480 658
Other payables	105 819	21 921 111
Total payables, including:	**5 046 476 572**	**4 964 702 309**
- long-term	4 169 837	21 794 051
- short-term	5 042 306 735	4 942 908 258

The Group assessed liabilities covered by reverse factoring and, based on this assessment, classified liabilities under the so-called reverse factoring as trade liabilities, because in connection with the transfer of given liabilities to factoring, there were no significant changes in the nature of these liabilities, in particular no significant changes in payment terms. The balance of trade liabilities as at 31 December 2024 included the value of balances covered by the supplier financing program in the amount of PLN 1.716.017.979, while as of 31 December 2023, the corresponding value of balances was PLN 1.405.186.228.

The option to purchase/sell shares in Firma Rogala was included in the short-term part.

NOTE 20.

LOANS AND BORROWINGS

As of 31.12.2024, the Group has credit lines in the total amount of PLN 1,093.9 million provided by 12 banks, including 8 banks in a consortium under the Senior Facilities Agreement concluded in July 2023. These limits were used as of the balance sheet date in the amount of PLN 523.3 million. Detailed information on loans and credits is presented in the table below.

LOANS AND CREDITS AS AT 31 DECEMBER 2024			
Credits	**Credit destination**	**Liability amount**	**Interest rate**
Subject 1	Loan for financing current activity	11 471 350	WIBOR + bank's margin
Bank association	Loan for financing current activity	505 680 000	WIBOR + bank's margin
Bank 1	Overdraft for financing of current activities	6 192 000	WIBOR + bank's margin
Total loans and credits		**523 343 350**	
- long-term		400 368 000	
- short-term		122 975 350	

The value of credit cost amounted to PLN 52.530.073 in 2024.

LOANS AND CREDITS AS AT 31 DECEMBER 2023			
Credits	**Credit destination**	**Liability amount**	**Interest rate**
Subject 1	Loan for financing current activity	10 218 656	WIBOR + bank's margin
Bank association	Loan for financing current activity	433 200 000	WIBOR + bank's margin
Bank 1	Loan for financing current activity	244 381	WIBOR + bank's margin
Bank 2	Loan for financing current activity	8 256 000	WIBOR + bank's margin
Total loans and credits		**451 919 037**	
- long-term		361 872 000	
- short-term		90 047 037	

The value of credit's cost amounted to PLN 71.389.236 in 2023.

In accordance to the credit agreements, the Group is obligated to maintain certain financial ratios at a defined level and for the activity of indicated in the contracts framework. During the reporting period the Group performed all the terms of loan agreements and there was no case of violation. What is more, according to the credit agreements the Group has issued the securities, details of which are expanded in Note 33.

NOTE 21.

OTHER FINANCIAL LIABILITIES

Other financial liabilities are presented below.

FINANCIAL LIABILITIES AS AT 31.12.2023		
	as at 31.12.2024	as at 31.12.2023
Liabilities arising from the issue of bonds	125 000 000	125 000 000
Liabilities related to financing of franchisees	6 233 042	11 086 912
Valuation of hedging instruments	0	5 462 776
FINANCIAL LIABILITIES TOTAL	**131 233 042**	**141 549 687**
- long-term	0	125 278 659
- short-term	131 233 042	16 271 029

Basic bond issue conditions are presented in the table below.

Title	Name
Date of issue	23 December 2020
Maturity date	23 December 2025
Unit nominal value of bonds	1.000 PLN
Number of issued bonds	125.000
Value of the issue	125.000.000
Bond interest rate	WIBOR 6M + 2,25% margin
Interest payment period	semi-annual
Method of offering bonds	Public offer addressed to professional clients
Quotation market	ASO GPW

The fair value of the bonds as at 31 December 2024 is PLN 126.269.024.

NOTE 22.

LEASE LIABILITIES

LEASE AS AT 31.12.2024	as at 31.12.2024	as at 31.12.2024	as at 31.12.2023	as at 31.12.2023
Future minimum lease payments due to lease agreements	**minimum fees**	**present value of minimum lease payments**	**minimum fees**	**present value of minimum lease payments**
Less than one year	463 774 355	452 457 717	484 561 263	474 990 572
Between one and five years	1 313 136 514	1 155 055 378	1 253 054 360	1 114 024 874
More than five years	672 488 885	477 593 213	720 298 560	514 334 239
Total future minimum lease payments due to llease agreements	**2 449 399 755**	**2 085 106 308**	**2 457 914 183**	**2 103 349 686**
Finance costs	364 293 447	X	354 564 497	X
Present value of minimum lease payments due to lease agreements	**2 085 106 308**	**2 085 106 308**	**2 103 349 686**	**2 103 349 686**

Lease liabilities include all contracts that are covered by or contracted by the lease in accordance with International Financial Reporting Standard 16 Leases ("IFRS 16").

Published forecasts

In accordance with the requirement of the Act of 15 January 2015 on Bonds, contained in art. 35 sec. 1a and 1b, in December 2023, the Eurocash Group published on the website of the Parent Entity Eurocash S.A. (the "Issuer") a forecast of the development of financial liabilities and the financial structure of Eurocash S.A. and the Eurocash Capital Group as at 31 December 2024 ("Forecast within the meaning of the Act on Bonds"). The Group informs that the financial liabilities of Eurocash S.A. and the Eurocash Capital Group as at 31 December 2024 are as follows:

1. financial liabilities of the Eurocash Capital Group as at 31 December 2024 amounted to PLN 2,733 million (1.4% more than the Forecast within the meaning of the Act on Bonds),
2. financial liabilities of Eurocash S.A. as at December 31, 2024, amounted to PLN 1,368 million (7.6% more than the Forecast within the meaning of the Act on Bonds),
3. the financing structure of the Eurocash Capital Group understood as the percentage share of liabilities under credits and loans, issuance of debt securities and leasing in the balance sheet total of the Eurocash Capital Group as at December 31, 2024, amounted to approximately 29.8% (0.1 percentage point more than the Forecast within the meaning of the Act on Bonds),
4. the financing structure of Eurocash S.A. understood as the percentage share of liabilities under credits and loans, issuance of debt securities and leasing in the balance sheet total of Eurocash S.A. as at December 31, 2024, amounted to approximately 18.7% (0.8 percentage point more than the Forecast within the meaning of the Act on Bonds).

The higher than estimated level of financial liabilities of the Eurocash S.A. Parent Company and the Eurocash Capital Group at the end of 2024 results from a higher than estimated level of liabilities under loans and credits. Free cash generated in the course of operating activities allowed the Company and the Group to reduce liabilities under loans and credits. Ultimately, the Company and the Capital Group decided not to repay financial liabilities under loans and credits and to leave cash and financial debt on the balance sheet. This decision had a neutral impact on the net debt level of the Company and the Capital Group as at 31 December 2024.

NOTE 23.

INCOME TAX

Income tax for the reporting period is presented below.

TAX RECONCILIATION FOR THE PERIOD FROM 01.01 TO 31.12.2024		
	for the period from 01.01.2024 to 31.12.2024	for the period from 01.01.2023 to 31.12.2023
Profit before tax	**35 484 943**	**194 996 311**
Income tax calculated base on 19% income tax rate	(7 550 267)	(34 065 443)
Negative temporary differences, for which the deferred tax asset was recognized in current year	(10 212 435)	(55 704 222)
Adjustment of current tax of previous years	(3 752 840)	6 277 456
The impact of tax on permanent differences between the gross result and the tax base	(108 337 474)	(16 864 213)
Use of tax losses for which no asset was created	8 493 114	0
Creation of an asset for tax loss that can be used in 2025	10 858 458	0
Impact of Tax Capital Group *	78 857 727	50 082 153
Income tax in income statement	**(31 643 716)**	**(50 274 268)**
Effective tax rate	89,18%	25,78%

* The Tax Capital Group was established in 2022. Details are described in the annual financial statements for 2022.

UNCERTAIN TAX TREATMENT

Tax regulations in Poland are subject to frequent legislative changes, which causes numerous interpretation doubts and results in different applications and interpretations of given regulations by individual state authorities/administrative courts.

Tax settlements and other areas of activity (e.g. customs or foreign exchange issues) may be subject to control by authorities that are authorized to impose high penalties and fines, and any additional tax liabilities resulting from the decisions of these authorities must be paid with high interest. These conditions make the tax risk in Poland higher than in countries with a more mature tax system.

As a consequence, the amounts presented and disclosed in the financial statements may change in the future as a result of the final decision of the authority / judgment of the administrative court.

In previous reporting periods, the Company carried out transactions and participated in restructuring processes, which are currently the subject of tax proceedings.

The Group recognizes and measures current and deferred tax assets or liabilities using the requirements of IAS 12 Income Tax based on profit (tax loss), tax base, unsettled tax losses, unused tax credits and tax rates, taking into account the assessment of uncertainties related to settlements tax. When there is uncertainty as to whether and to what extent the tax authority will accept individual tax settlements of the transaction, the Group recognizes these settlements taking into account the uncertainty assessment.

Proceedings regarding the tax consequences of transactions related to trademarks

Currently, Eurocash S.A. is a party to disputes with tax authorities regarding transactions related to tax stamps and their tax consequences in 2011, 2014, 2015 and 2016, i.e.:

- the proceedings for 2011 concern the possibility of including the amount of license fees paid by the Company to Eurocash S.A. as tax deductible costs. S.K.;

- proceedings for the years 2014, 2015 and 2016 concern the amount of costs of obtaining income from the depreciation of trademarks.

In the case of the proceedings relating to 2011, in the judgment of 30 November 2024, the Provincial Administrative Court in Poznań overturned the decision of the second instance body (DIAS in Poznań). Currently, the Company is waiting for delivery of the written justification of the judgment.

In the proceedings in 2014, 2015 and 2016, the Provincial Administrative Court in Poznań issued substantively favorable decisions for the Company. Cassation appeals against the judgments of the Provincial Administrative Court in Poznań were filed by the tax authority and - solely out of procedural caution (procedural reasons) – by the Company. The cases are currently awaiting consideration by the Supreme Administrative Court.

As a result of decisions issued by the authorities as part of the disputes described above, the Company incurred tax arrears in the following amount:

- PLN 2,498,378.00 for 2011
- PLN 5,490,763.00 for 2014
- PLN 5,490,764.00 for 2015
- PLN 5,490,764.00 for 2016

These arrears were paid by Eurocash S.A. with interest on 28 October 2022.

Duży Ben – limited distributor

Due to the adaptation of the Eurocash Group's business model, starting from 2021, Duży Ben will act as a distributor with limited risks, and Eurocash S.A. function of the central entity. Eurocash S.A. as the central entity is responsible for managing Duży Ben's core activities, such as developing the distribution concept, strategy and pace of network development, selecting suppliers, providing support services and the owner of significant intangible assets (trademarks). Duży Ben is responsible for the sale of goods purchased from suppliers indicated by Eurocash S.A. on the Polish market (including Eurocash S.A. itself), which previously purchases them from producers or other wholesale distributors and then sells the goods on the market to consumers. Additionally, Duży Ben is implementing the strategy formulated by Eurocash S.A. The above action is aimed at ensuring a market level of profitability, taking into account the functions performed, assets involved and risk incurred. At the same time, on 29 December 2021, Eurocash S.A. applied for a prior pricing agreement under the Act of 16 October 2019 on the settlement of disputes regarding double taxation and concluding prior pricing agreements in the above respect, in order to limit tax risk.

Moreover, all risks and liabilities of the Company have been settled and transferred to the financial statements.

NOTE 24.

DEFFERED TAX

Deferred tax is presented below.

DEFERRED TAX IN THE PERIOD FROM 1 JANUARY TO 31 DECEMBER 2024						
	Statement of financial position		Income statement		Statement of other comprehensive income	
	as at 31.12.2024	as at 31.12.2023	for the period from 01.01.2024 to 31.12.2024	for the period from 01.01.2023 to 31.12.2023	for the period from 01.01.2024 to 31.12.2024	for the period from 01.01.2023 to 31.12.2023
Deferred tax liabilities						
difference between tax and carrying amount of fixed assets	16 980 275	18 790 387	(1 810 112)	2 183 085	0	0
not invoiced income	97 963 919	96 009 562	1 954 358	24 502 375	0	0
revenues from accrued interests	428 899	340 862	88 037	(769 741)	0	0
lease liabilities	10 135	0	10 135	(638 077)	0	0
income from contractual penalties unpaid	0	52 017	(52 017)	(1 213 820)	0	0
valuation of hedging instruments	0	0	0	(62 557)	0	(62 557)
recognition of a trademark due to the acquisition of shares	2 713 818	2 888 903	(175 085)	(612 798)	0	0
other	9 070 107	10 685 507	(1 615 400)	(4 305 920)	0	0
Gross deferred tax liabilities	**127 167 153**	**128 767 238**	**(1 600 084)**	**19 082 548**	**0**	**(62 557)**
Deferred tax assets						
bonuses	873 059	879 083	6 024	10 061 134	0	0
allowance for inventories	2 825 762	4 541 845	1 716 083	801 206	0	0
allowance for bad debts	13 799 984	14 557 841	757 857	4 091 676	0	0
tax losses	41 901 265	31 684 143	(10 217 122)	(19 907 850)	0	0
holiday accrual	4 215 627	4 641 868	426 242	(360 289)	0	0
accrual for employees' bonuses	5 284 047	5 000 830	(283 217)	4 865 191	0	0
unpaid payroll and social securities	568 540	325 731	(242 809)	3 910 358	0	0
provision for retirement benefits, disability benefits, death benefits	1 587 307	1 493 464	(93 843)	(231 765)	0	0
accruals	25 440 428	44 780 603	19 340 175	(16 407 239)	0	0
lease liabilities	0	0	0	8 740	0	0
Deferred tax assets						
accrued interest on trade payables	115	492 528	492 413	(460 282)	0	0
diference between right of use and lease liabilities	19 259 965	16 220 542	(3 039 423)	3 189 794	0	0
asset for the cost of intangible services	0	0	0	2 957 019	0	0
writing off an asset to settle remuneration related to a limited distributor	(4 000 000)	(4 000 000)	0	4 000 000	0	0
asset for future tax benefits	0	13 117 517	13 117 517	13 117 517	0	0
other accruals	85 435 034	75 001 148	(10 363 654)	(1 424 073)	0	0
valuation of hedging instruments	548 850	1 718 239	1 169 389	(1 718 239)	1 169 389	(1 718 239)
Gross deferred tax assets	**197 739 981**	**210 455 381**	**12 785 631**	**2 492 898**	**1 169 389**	**(1 718 239)**
Allowance of deferred tax asset	0	0	0	0	0	0
Deferred tax assets	**197 739 981**	**210 455 381**	**12 785 631**	**2 492 898**	**1 169 389**	**(1 718 239)**
Deferred income tax effect			**14 910 677**	**21 575 446**	**1 169 389**	**(1 780 796)**
Net deferred tax liabilities	**0**	**0**	**X**	**X**	**X**	**X**
Net deferred tax assets	**66 847 698**	**81 688 143**	**X**	**X**	**X**	**X**

NOTE 25.

SALES IN THE REPORTING PERIOD

Sales are presented below.

SALE IN THE PERIOD FROM 01.01 TO 31.12.2024		
	from 01.01.2024 to 31.12.2024	from 01.01.2023 to 31.12.2023
Sale of goods	32 119 031 154	32 331 090 075
Sale of services	121 167 715	117 176 036
Sales of materials	941 503	3 696 434
Total sale	**32 241 140 372**	**32 451 962 545**

The sale of goods is homogeneous.

In terms of sales of services, the main revenues are from services for the operation of the franchise network, franchise fees and logistic services.

NOTE 26.

COSTS BY TYPE

Costs by type are presented below.

COSTS BY TYPE IN THE PERIOD FROM 01.01 TO 31.12.2024		
	from 01.01.2024 to 31.12.2024	from 01.01.2023 to 31.12.2023
Depretiation	648 965 317	629 535 004
Materials and energy	303 912 784	376 166 892
External services	1 278 038 587	1 189 682 707
Taxes and charges	90 461 478	91 205 985
Salaries	1 446 797 373	1 397 646 384
Social security and other benefits	255 570 685	268 548 519
Other costs by type	62 094 536	55 527 196
Costs by type	**4 085 840 761**	**4 008 312 687**
including:		
Cost of services sold	0	0
Cost of goods sold	3 562 762 397	3 481 090 455
General and administrative expenses	523 078 364	527 222 232

COSTS OF GOFROMS SOLD FOR THE PERIOD FROM 01.01 TO 31.12.2024 ROKU		
	from 01.01.2024 to 31.12.2024	from 01.01.2023 to 31.12.2023
Depreciation	582 089 176	564 054 015
Materials and energy	301 193 044	362 703 787
External services	1 108 346 805	1 041 637 738
Taxes and charges	88 916 584	87 170 150
Salaries	1 224 494 381	1 163 428 178
Social security and other benefits	214 057 882	223 535 836
Other costs by type	43 664 525	38 560 751
Total	**3 562 762 397**	**3 481 090 455**

GENERAL AND ADMINISTRATIVE EXPENSES FOR THE PERIOD FROM 01.01 TO 31.12.2024		
	from 01.01.2024 to 31.12.2024	from 01.01.2023 to 31.12.2023
Depreciation	66 876 141	65 480 989
Materials and energy	2 719 613	13 463 104
External services	170 302 185	148 044 970
Taxes and charges	1 220 892	4 035 835
Salaries	222 013 480	234 218 205
Social security and other benefits	41 481 644	45 012 683
Other costs by type	18 464 410	16 966 445
Total	**523 078 364**	**527 222 232**

NOTE 27.

OTHER OPERATING INCOME AND EXPENSES

Other operating income and expenses are presented below.

OTHER OPERATING INCOME AND EXPENCES 01.01 TO 31.12.2024		
	from 01.01.2024 to 31.12.2024	from 01.01.2023 to 31.12.2023
Other operating income	**81 216 445**	**64 876 502**
Penalties for suppliers	2 796 466	4 253 427
Other sales	16 420 949	9 931 410
Sub-lease of premises	11 957 799	12 318 512
Profit on sales of fixed assets	0	1 998 896
Compensation received	6 112 578	4 764 787
Reversal of the inventory write-down	86 581	382 269
Reversal of allowance for bad debts	677 586	3 853 758
Expired litigations and payables	0	3 207 316
Donation received	776 052	875 328
Subsidies	423 419	0
Income related to settlements with employees	8 094 201	6 305 931
PFRON	725 036	2 088 006
Other related to IFRS16	4 326 536	346 196
Other (irrelevant individually)	28 819 242	14 550 668
Other operating expenses	**(20 683 028)**	**(29 806 238)**
Loss from disposals of property, plant and equipment	(108 687)	0
Impairment loss on inventories	0	(619 151)
Impairment loss on trade receivables	(2 848 274)	(923 697)
Donations	(8 415 561)	(6 859 682)
Expired items, court cases, potential disputes and receivables canceled	0	(7 485 101)
Poniesione szkody	(1 983 757)	0
Packaging costs	(250 000)	(3 000 000)
Other due to IFRS16	0	(7 240 517)
Other (irrelevant individually)	(7 076 749)	(3 678 091)
Other net operating income / expenses	**60 533 417**	**35 070 264**

NOTE 28.

FINANCE INCOME AND COSTS

Finance income and costs are presented below.

FINANCE INCOME AND COSTS IN THE PERIOD FROM 01.01 TO 31.12.2024		
	from 01.01.2024 to 31.12.2024	from 01.01.2023 to 31.12.2023
Finance income	**68 409 272**	**67 121 368**
Revenues from discounts	49 988 064	14 685 821
Interest	10 558 746	10 345 360
Foreign exchange gains	63 476	2 231 764
Foreign exchange gains IFRS 16	5 890 916	25 774 057
Dividends	413 963	201 772
Other financial income (irrelevant individually)	1 494 108	13 882 595
Finance costs	**(318 596 491)**	**(308 196 275)**
Interest	(204 230 562)	(204 204 719)
Interest IFRS 16	(95 313 613)	(87 616 781)
Bank fees	(17 995 915)	(15 513 622)
Other financial expenses (irrelevant individually)	(1 056 400)	(861 153)
Net finance expenses	**(250 187 219)**	**(241 074 907)**

NOTE 29.

EARNINGS PER SHARE

Earnings per share are presented below.

EARNINGS PER SHARE FOR THE PERIOD FROM 01.01 TO 31.12.2024		
	from 01.01.2024 to 31.12.2024	from 01.01.2023 to 31.12.2023
Earnings		
Profit (loss) for the period attributable to the Owners of the Company	(26 875 156)	99 202 121
Number of issued shares		
Weighted average number of shares	139 163 286	139 163 286
Dilution efect of potential number of shares:		
Convertible bonds	0	594 720
Weighted average number of shares (to calculate diluted earnings per share)	139 163 286	139 758 006
Earnings per share		
- basic	(0,19)	0,71
- diluted	(0,19)	0,71

NOTE 30.

REMUNERATION AND OTHER TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

The members of the Management Board and the Supervisory Board are considered key management personnel. The table below presents information on the total value of remuneration, bonuses and awards as well as other benefits paid or due to members of the Management Board and Supervisory Board in the period from 01.01.2024 to 31.12.2024, paid in Eurocash S.A. and subsidiaries.

REMUNERATION OF MEMBERS OF THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD OF THE PARENT IN THE PERIOD FROM 01.01 TO 31.12.2024				
	Basic salary	Other benefits	Managerial options	Total
Remuneration of the Members of the Management Board				
Paweł Surówka	2 040 000	31 561	0	2 071 561
Katarzyna Kopaczewska	1 320 000	37 358	0	1 357 358
Szymon Mitoraj	1 320 000	41 521	0	1 361 521
Jacek Owczarek (from 01.01 to 14.11.2024)	1 345 000	38 879	0	1 383 879
Przemysław Ciaś (from 01.01 to 30.09.2024)	899 733	33 381	0	933 115
Dariusz Stolarczyk	1 200 000	36 889		1 236 889
Tomasz Polański	1 200 000	44 574	0	1 244 574
Piotr Nowjalis (from 15.11 to 31.12.2024)	51 974	213		52 187
Marcin Celejowski (from 01.10 to 31.12.2024)	250 000	2 796	0	252 796
Total	**9 626 707**	**267 172**	**0**	**9 893 879**
Remuneration of the Members of the Supervisory Board				
Luis Amaral	236 369	1 031 430	0	1 267 799
Jorge Mora	236 369	0	0	236 369
Francisco José Valente Hipólito dos Santos	236 369	0	0	236 369
Hans Joachim Körber	236 369	0	0	236 369
Przemysław Budkowski	236 369	3 546	0	239 915
Total	**1 181 847**	**1 034 976**	**0**	**2 216 822**

REMUNERATION OF MEMBERS OF THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD OF THE PARENT IN THE PERIOD FROM 01.01 TO 31.12.2023				
	Basic salary	Other benefits	Managerial options*	Total
Remuneration of the Members of the Management Board				
Paweł Surówka	4 080 000	32 471	0	4 112 471
Katarzyna Kopaczewska	2 485 000	51 784	0	2 536 784
Jacek Owczarek	1 947 312	41 487	0	1 988 800
Przemysław Ciaś	1 800 000	45 643	0	1 845 643
Arnaldo Guerreiro (from 01.01 to 30.09.2023)	1 025 000	420 655	0	1 445 655
Pedro Martinho	1 400 000	35 391	0	1 435 391
Dariusz Stolarczyk	2 780 000	31 036	0	2 811 036
Tomasz Polański	3 600 000	52 018	0	3 652 018
Szymon Mitoraj (from 01.10 to 31.12.2023)	220 000	5 984	0	225 984
Total	**19 337 312**	**716 469**	**0**	**20 053 781**
Remuneration of the Members of the Supervisory Board				
Luis Amaral	237 975	1 000 040	0	1 238 015
Jorge Mora	237 169	0	0	237 169
Francisco José Valente Hipólito dos Santos	237 169	0	0	237 169
Hans Joachim Körber	237 169	0	0	237 169
Przemysław Budkowski	237 169	3 558	0	240 727
total	**1 186 652**	**1 003 598**	**0**	**2 190 249**

*Costs related to the incentive program allocated to the management board amounted to pln 6,536,801.

NOTE 31.

EMPLOYMENT

Number of employees as at 31.12.2024 is presented below.

NUMBER OF EMPLOYEES AS AT 31.12.2024		
	31.12.2024	31.12.2023
Number of employees	16 521	19 023
Number of full-time jobs	16 380	18 785

Employment structure as at 31.12.2024 is presented below.

EMPLOYMENT STRUCTURE AS AT 31.12.2024			
	Wholesale discounts and distribution centres	Head office	Total
Number of employees	15 026	1 495	**16 521**
Number of full-time jobs	14 897	1 483	**16 380**

Data concerning employee turnover ratios as at 31.12.2024 is presented below.

EMPLOYEE TURNOVER IN THE PERIOD FROM 01.01 TO 31.12.2024		
	from 01.01.2024 to 31.12.2024	from 01.01.2023 to 31.12.2023
Number of hired employees	3 777	4 244
Number of dismissed employees	(6 279)	(4 857)
Total	**(2 502)**	**(613)**

NOTE 32.

DATA OF ITEMS NOT INCLUDED IN THE FINANCIAL STATEMENTS

Bank guarantees as at 31.12.2024

	The Issuer	Title	Currency	31.12.2024	31.12.2023
1	Bank	Security of payments to suppliers	PLN	167 873 100	119 704 500
2	Bank	Security of payments to suppliers*	PLN*	23 815 151	23 044 400
3	Bank	Security of rent liabilities	PLN	18 983 925	20 918 087
4	Bank	Security of rent liabilities*	PLN	51 948 250	57 548 052
5	Bank	Security of liabilities due to proper realisation of the contract	PLN	230 010	-
				262 850 436	**221 215 039**

*Guarantees in EUR were converted into PLN according to the average NBP exchange rate of 31 December 2024, EUR 1 = PLN 4.2730 and 31 December 2023, EUR 1 = PLN 4.3480

Other administrative proceedings

On 2 October 2020, the Company received a Resolution of the President of the Office of Competition and Consumer Protection ("UOKiK") dated 28 September 2020 to initiate ex officio proceedings against Eurocash S.A. regarding practices unfairly using contractual advantage. When initiating the proceedings, the President of the UOKiK considered that it was necessary to verify whether certain practices used by Eurocash S.A. could be classified as using contractual advantage. On November 30, 2021, the President of

the UOKiK issued a decision in which he stated that the Company had committed the practice of unfairly using contractual advantage by charging suppliers of agri-food products for services that are not performed for them or that are performed but about which the suppliers are not informed, including their costs and results, and imposed on the Company a fine of PLN 76,019,901.23. The Company does not agree with the position of the President of the UOKiK, and therefore on 30 December 2021, it appealed against the decision of the President of the UOKiK to the Court of Competition and Consumer Protection ("CCP"). On 19 February 2024, the CCP issued a judgment annulling (in its entirety) the appealed decision of the President of the UOKiK and thus shared the Company's position regarding the aforementioned decision of the President of the UOKiK. In June 2024, the President of the UOKiK filed an appeal challenging the judgment in its entirety. In July 2024, the Company filed a response to the appeal. Given the appeal against the judgment of the CCP, the outcome of the case will depend on the decision of the Court of Appeal in Warsaw. To the best of the Company's knowledge, the proceedings before the Court of Appeal in Warsaw may last at least a dozen or several months.

The damage suffered by the company in the previous year as a result of the activities of external entities participating in the vat fraud mechanism

With reference to the disclosure that the Company made in 2017 regarding the damage suffered by the Company as a result of the activities of external entities participating in the extortion mechanism, we would like to inform you as follows.

The examination of VAT settlements by Eurocash Group companies did not reveal any irregularities of a nature identical to those disclosed in Eurocash S.A. in 2017. Notwithstanding the foregoing, taking into account the turnover of other Group companies realized on transactions concerning intra-Community supplies of goods, the risks related to such possible irregularities are intangible. Eurocash S.A. suspended this type of intra-Community supply of goods transactions and, as collateral, paid a deposit of PLN 95,746,902 in 2017 for any arrears.

As a result of the investigation - initiated in 2018 by the Regional Prosecutor's Office in Poznań - this authority issued a decision in 2020 to secure a fine against the former employee of the Company and the obligation to return the financial benefit. As a result of the complaint filed by the Company on 22 July 2020, the District Court in Poznań revoked the security order, which in practice means that there is no obligation to provide it.

Still in 2020, the Company analyzed the tax risks related to the damages in question and decided to allocate the amount of approximately PLN 43.5 million against current tax liabilities, from the pool of previously paid security for the payment of any VAT liability. The current security for potential arrears amounts to PLN 52,267,381. Nevertheless, the Company is of the opinion that based on the analysis of tax audit files and tax proceedings, as well as based on the results of internal analyses, the security is inadequate to the amount of potential VAT arrears (if such arrears exist at all). The information obtained shows that a significant part of the buyers, originally included in the group of potential risk, correctly settled transactions with the Company in an EU country (other than Poland), showing intra-Community acquisition of goods there and settled the VAT due on this account.

On June 22, 2022, the Company received from the Head of the First Wielkopolskie Tax Office in Poznań a tax inspection report for the period from October 2013 to December 2016. In this report, the Head questioned some transactions made by the Company, including: (1) domestic and foreign transactions of purchase and sale of goods (mainly food products and manufactured goods) and (2) some transactions of intra-Community supply of goods (applies only to beer). The total amount of VAT questioned by the Head is PLN 133,956,967.00. In the Company's opinion, the protocol referred to in the previous sentence does not involve any potential VAT liability for the Company and the need to pay any potential VAT arrears. In the

Company's opinion, the minutes are not transparent and contain theses that the Company will question. Especially:

1 the protocol does not contain the standard summaries which in such studies the authorities usually present in tax audits;

2 descriptions of transactions and tax liabilities of entities other than the Company, including entities that were not contractors of the Company, constitute an important part of the protocol;

3 different conclusions are presented by the authority depending on different categories of products subject to taxation;

4 doubts arise regarding the arrangements regarding the application of a specific VAT rate in cases where the authority confirms that it has evidence and knowledge that the goods have been sent from Poland to an EU country;

5 Significant doubts are also raised by the authority's findings denying the Company the right to deduct input VAT in those cases where the authority determined that irregularities occurred at earlier stages of the delivery of goods (i.e. transactions in which the Company did not participate).

The Company, not agreeing with the findings of the Head of the above-mentioned the inspection report, on 6 July 2022, raised objections to it.

Then, on 5 December 2022, the Head initiated two tax proceedings against the Company, i.e. 1) VAT tax proceedings for the fourth quarter of 2013 and for the first quarter of 2014, and 2) VAT tax proceedings for the periods from the fourth quarter of 2014 to Q4 2016.

The Company is also subject to VAT tax proceedings for the second and third quarters of 2014 initiated by the decision of 6 December 2016 (no. 3071-PP.4213.96.2016.1). On 23 December 2022, the Head issued another decision to extend the deadline for settling the case until 6 April 2023. By further resolutions, the Governor extended the deadline for settling the case again to 27 May 2025.

NOTE 33.

COLLATERALS

Title	Secured property	as at 31.12.2024	as at 31.12.2023
Security on the credit line agreement	Pledge on inventories of Eurocash S.A.	90 000 000	90 000 000
Guarantee on securing the payment for suppliers	Pledge on inventories of Eurocash Serwis Sp. z o.o.	0	36 060 300
Security on the consolidated loan	Pledge on shares of Eurocash Serwis Sp. z o.o.	1 800 000 000	1 800 000 000
Security on the consolidated loan	Pledge on shares of Eurocash Franczyza Sp. z o.o.	1 800 000 000	1 800 000 000
Security on the consolidated loan	Pledge on shares of Eurocash Sieci Partnerskie Sp. z o.o.	1 800 000 000	1 800 000 000
Security on the consolidated loan	Mortgage on 6 distribution centers (13 properities)	1 800 000 000	1 800 000 000
Security on the consolidated loan	Pledge on Eurocash trademarks	1 800 000 000	1 800 000 000
Security on the credit line agreement	Pledge on inventories of Arhelan Sp. z o.o.	12 000 000	12 000 000
Security on the credit line agreement	Pledge on inventories of Arhelan Sp. z o.o.	6 000 000	6 000 000
Financial leasing agreements (due to net value of fixed assets at the balance sheet date)	Ownership of fixed assets in financial leasing	60 763 031	32 177 757

* Nominal value of the minimum security

NOTE 34.

FINANCIAL RISK MANAGEMENT

General information

The activity of the Capital Group is a subject to the following categories of risk related to financial instruments:

a. Credit risk

b. Liquidity risk

c. Market risk (including interest rate risk and currency risk)

In addition, the Group implements a policy regarding:

d. Capital management

e. Determining fair values

This note contains information about the Group's exposure to each type of risk indicated above and also describes the objectives, policies and procedures related to risk and capital management. Disclosures of numerical data have been included in these consolidated financial statements.

The Management Board of the Parent Entity is responsible for determining and fulfilling the risk management policy, which in order to fulfill these tasks has set up risk management teams, whose responsibilities include building and monitoring individual risk management policy.

The risk management policy is implemented to identify and analyze risks related to the Group's activity and to set appropriate limits, control risk and monitor deviations from these limits. The risk management policy and system are regularly reviewed to ensure that they correspond to current changes in market conditions and the Group's operations. By raising qualifications, adopting standards and procedures, the Group strives for a disciplined and constructive control of the environment in which all employees understand their role and responsibilities.

The Parent Entity also has an internal audit department that controls the implementation of risk management policies and procedures within the scope of the tasks entrusted to it. An internal audit performs both scheduled inspections and ad hoc verification procedures in this regard.

a. Credit risk

Credit risk is the risk of financial losses by the Group as a result of the client or contractor being a party to a financial instrument failing to fulfill its contractual obligations. Credit risk is mainly associated with the Group's receivables from customers and financial investments.

The table below presents the maximum exposure of the Group to credit risk.

CREDIT RISK EXPOSURE	31.12.2024	31.12.2023
Receivable and loans	1 253 711 529	1 397 748 107
Cash and cash equivalents *	396 576 123	267 667 400
Total	**1 650 287 652**	**1 665 415 507**

* excluding cash

Trade and other receivables

The Group's credit risk due to receivables differs for individual groups of contractors with whom the Group cooperates:

1. the sale of specific services to suppliers of goods (promotional campaigns of goods, newsletters, advertising folders) is subject to lower credit risk, as receivables in this respect are, as a result of additional arrangements, deducted to a large extent from liabilities to suppliers. The risk in this respect is managed by a team located in the Accounting Division, whose task is to correctly settle and offset receivables with the Group's liabilities under agreements with suppliers. The risk of non-payment is small due to the continuing natural advantage of the value of liabilities over receivables of the Group companies to suppliers. As part of managing the credit risk of this group of contractors, the Group focuses on ensuring the safety of working capital.

2. cash and carry wholesalers and own stores, i.e. Delikatesy Centrum, Kontigo, Duży Ben and ABC on wheels, are characterized by a very high share of sales for cash. For the cash and carry business, this percentage is 95%, for own stores it is close to 100% (at no time less than 95%). The credit risk of this group of contractors is managed by the credit control and debt collection team of the Treasury Department. This process uses the same methods and computer systems and employs the same staff as the credit sales processes described below to franchise chains and independent customers.

3. sales to franchise chains and to independent customers, taking into account all distributed categories, i.e. food products, alcohol, tobacco products, gastronomic goods, etc., are mostly on credit. The share of credit sales in the entire group is approx. 81%. Overdue payments, although they are an inseparable part of the FMCG business, account for only 6% of the total balance of receivables resulting from the sale of goods to the Group's customers. The level of losses resulting from the failure to receive payment for trade receivables (including provisions for future losses) increased by the costs of insurance and collection of these receivables is at the lowest level in history and amounted to 0.010% of the Group's sales value in 2024. In order to assess the quality of the portfolio, the Group monitors i.a. the level of customer concentration using the Herfindahl-Hirschman Index (HHI), which constantly remains at low levels, reaching the value of 51 in 2024. Credit risk management process including credit analysis, setting limits, blocking sales, insurance of receivables, soft collection and collection of difficult receivables was placed in the credit control and debt collection team.

4. Credit risk in financial instruments - Cash and cash equivalents are deposited and financial hedging transactions are concluded with financial institutions of recognized reputation. The credibility control of these institutions consists in a financial analysis (including capital adequacy) of these entities and monitoring of official ratings assigned by such institutions as S and P, Moodys or Fitch. As at 31 December 2024, no counterparty to the financial transaction is expected to default.

The Group monitors the amount of overdue receivables on an ongoing basis and, in justified cases, makes legal claims.

The Group makes write-downs of receivables in relation to expected credit losses. Expected credit losses result directly from the risk of each client and are calculated on the basis of models taking into account, among others, payment history, type of business, geolocation, evaluation of cooperation and financial data.

The aging of trade receivables is presented in the table below:

AGEING OF TRADE RECEIVABLES AND BAD DEBT ALLOWANCES AS AT 31.12.2024		
	Trade receivables gross as at 31.12.2024	Trade receivables gross as at 31.12.2023
current	1 013 548 295	1 158 477 628
1-30 days	139 703 416	143 740 849
31-90 days	51 754 966	31 090 480
91-180 days	14 010 565	11 094 536
> 180 days	8 724 385	15 143 895
Total	**1 227 741 628**	**1 359 547 388**

ALLOWANCE FOR BAD DEBTS AS AT 31.12.2024		
	from 01.01.2024 to 31.12.2024	from 01.01.2023 to 31.12.2023
Opening balance	**27 641 033**	**35 668 629**
Increases*	545 941	0
Decreases*		(8 027 596)
Closing balance	**28 186 974**	**27 641 033**

* Net value

b. Liquidity risk

The risk of losing financial liquidity is the risk of the Company being unable to repay its financial liabilities when they become due.

The policy of managing the risk of losing financial liquidity is to provide the funds necessary to meet the Group's financial and investment obligations when they become due, without incurring the risk of loss of reputation and unnecessary losses.

The Group's goal is to maintain a balance between the continuity, flexibility and cost-effectiveness of financing through the use of various sources, such as bank loans (including overdraft facilities), loans, bond issues, leasing contracts or reverse factoring. As part of its liquidity management, the Group uses reverse factoring agreements in relation to its liabilities, under which it submits for factoring invoices relating to purchases from selected suppliers.

The Group minimizes the liquidity risk resulting from the use of reverse factoring agreements by cooperating with several factors and maintaining sufficient factoring limits, which as at 31.12.2024 amounted to PLN 1,853.5 million (as at 31.12.2023: PLN 1,527.5 million).

FACTORING LINES BY MATURITY DATE AS AT 31.12.2024

As at 31.12.2024 mln PLN	I Q 2025	II Q 2025	III Q 2025	IV Q 2025	2026	Indefinite	Total
Limits	150	210	410	425	0	659	1854
Use	141	178	396	400	0	602	1716

FACTORING LINES BY MATURITY DATE AS AT 31.12.2023

As at 31.12.2023 mln PLN	I Q 2024	II Q 2024	III Q 2024	IV Q 2024	2025	Indefinite	Total
Limits	0	75	270	0	575	608	1 528
Use	0	75	270	0	538	522	1 405

The basis for effective liquidity risk management in the Eurocash S.A. is the internal cash flow forecasting model. The Company's liquidity management focuses on detailed analysis, planning and taking appropriate actions in three areas:

I. area covering investments in non-current assets and other long-term assets (e.g. acquisition of companies)

The investment horizon taken into account in these analyzes covers from one month to a maximum of 36 months. The Group prepares plans to cover the obligations arising from these plans with appropriate capital or amendments to financing agreements. Investment plans, in particular plans for the development of the retail network, are so low-capital that actions in the field of capital changes or long-term financing agreements do not require adjustments. The Group is prepared for potential changes in the scope and length of loan agreements in the event of a change in investment plans by maintaining balanced relationships on local money and capital markets. In addition, the Group uses a revolving loan in its financial policy, whose long-term nature allows it to be used for potential investments, whether in fixed assets or acquisitions of business entities similar or complementary to the current operations of the Eurocash Group.

II. working capital

As at 31 December 2024, there was a surplus of the Group's current liabilities over its current assets in the amount of PLN 2.2 billion (including Inmedio Sp. z o.o.), which is typical for the industry in which the Eurocash Group operates, in which a significant part of sales is made on cash terms, inventories are minimized and overdue receivables (in accordance with the process procedures described in the "credit risk" section above), and suppliers grant deferred payment dates.

Trade credit is used to finance liabilities to suppliers of goods (approx. 70% of the balance of trade liabilities) and financial instruments (approx. 30% of the balance of trade liabilities). The Group uses financial instruments facilitating capital management for both the Group and the suppliers themselves. In particular, the balance of liabilities under reverse factoring agreements as at 31 December 2024 amounted to PLN 1,716.0 million. Trade liabilities covered by reverse factoring agreements do not significantly change the terms of trade liabilities.

As at 31 December 2024, the Group had active reverse factoring agreements with six factors. The Group used factoring lines in 93% as at the balance sheet date, 31 December 2024, while in the previous year the use was 92%. The Group also has the ability to discount receivables. The Group maintains receivables factoring programs and their use as at 31 December 2024 is PLN 498.8 million.

III. financial debt

The financial plans prepared by the Management Board, including operating and investment cash flows, indicate that the Group companies have sufficient sources of financing their operations and maintain liquidity. Credit covenants contained in credit agreements are monitored on an ongoing basis. As at the balance sheet date, 31 December 2024, the terms of loan agreements were not breached. Moreover, the Group has unused credit limits. Considering the above, as at the date of approval of these consolidated financial statements, there are no circumstances that would indicate a risk of loss of financial liquidity by the Group's companies. Financial debt consists primarily of:

- Balance sheet liability resulting from IFRS16 resulting from the valuation of lease agreements for logistics and retail space and other tangible assets, included in the balance sheet item "lease liabilities" in the amount of PLN 2,155 million. These liabilities are usually repaid to entities which, as a rule, are not financial institutions and are usually paid in monthly rent payments.

– Liabilities to repay bank loans, the total value of which is included in the balance sheet item "bank loans and borrowings". The limits granted under the financing agreements concern:

  - 5-year amortized term loan worth PLN 456 million - the balance of this loan as at 31 December 2024 was PLN 355.7 million, of which PLN 246.3 million was its long-term part and PLN 109,4 million was its short-term part.
  - A 3-year revolving credit facility worth PLN 445 million (with an option to extend it for another two years). As at 31 December 2024, was PLN 150 milion . This line constitutes the Group's main financial security in the event of unfavorable financial scenarios and the need to implement recovery plans.
  - loans in order to realize the benefits resulting from cash optimization under cash pool programs. The total limit in these programs granted to the Company (2 programs in two local banks) was PLN 200.0 million as of 31 December 2024, while as of 31 December 2023, the limit was PLN 161.5 million. The use as of 31 December 2024 is PLN 0.0 million, while as of 31 December 2023, the use of this line was PLN 0.0 million.
  - lines of credit in current accounts. The total limits in these credit lines as at 31 December 2024 are PLN 87 million, and their use is PLN 0.0 million.
  - investment loan granted to the Arhelan and used as at 31 December 2024 in the amount of PLN 6.2 million (and as of 31 December 2023, the amount was PLN 8.3 million)
  - liabilities to repay corporate bonds, the total value of which is included in the balance sheet item "Long-term financial liabilities". The issuance program, launched in November 2020, allows for the issuance of up to a maximum total amount of PLN 1,000,000,000. The first issue took place in December 2020. As part of it, the Company issued PLN 125 million for a period of 5 years. The funds from this issue increased the pool of available credit lines, thus significantly reducing the risk of loss of liquidity.

CREDIT LINES BY MATURITY DATE AS AT 31.12.2024

mln PLN	Credit lines by maturity date					TOTAL
	Short-term lines				Long-term lines	
	I Q 2025	II Q 2025	III Q 2025	IV Q 2025		
Limits	34,9	27,9	127,9	107,9	795,4	1093,9
Use as at 31.12.2024	27,9	27,9	27,9	27,9	400,4	511,9

CREDIT LINES BY MATURITY DATE AS AT 31.12.2023

mln PLN	Credit lines by maturity date					TOTAL
	Short-term lines				Long-term lines	
	I Q 2024	II Q 2024	III Q 2024	IV Q 2024		
Limits	11,9	11,9	42,9	164,8	906,9	1138
Use as at 31.12.2023	11,9	11,9	27,9	28,0	362	442

The Management Board of the Group recognizes that the term structure of assets and liabilities of the balance sheet determines the maturity of financing instruments. For this reason, as at 31 December 2024, the Group financed itself only with credits, loans, factoring and leasing. The strategy of matching the maturity of financing sources to the nature of assets allows the Group to maintain flexibility in the selection of financial instruments and ensures cost effectiveness. Thanks to maintaining a relatively low financial leverage, the Group is able to select financing partners both on the local and foreign markets.

Liabilities for financing franchisees are included in the balance sheet item "Other financial liabilities". A component of this group of liabilities is the factoring agreement of Delikatesy Centrum franchisees, where the debt is the amount of the surety granted by the Group to a financial institution. The limit in this agreement is PLN 40 million, while the use as for 31 December 2024 – PLN 6.2 million (liability recognized in the statement of financial position).

The tables below present the nominal values broken down by contractual payment periods, without taking into account debt offsetting agreements:

LIQUIDITY RISK							
AS AT 31 DECEMBER 2024	**Value**	**< 1 month**	**1-3 months**	**3-6 months**	**6-12 months**	**1-5 years**	**> 5 years**
Financial lease liabilities	2 449 399 755	40 496 033	80 074 618	117 700 936	225 502 768	1 313 136 514	672 488 885
Other finance liabilities	0	0	0	0	0	0	0
Liabilities due to financing of franchisees	6 233 043	3 137 850	3 095 193	0	0	0	0
Trade and other payables	3 152 594 386	2 472 383 705	675 193 436	0	847 408	4 169 837	0
Option for purchase/selling the shares	44 046 628	0	0	0	44 046 628	0	0
Loans and borrowings	593 002 972	1 002 499	37 092 857	37 623 589	85 231 481	432 052 546	0
The issuance of debt securities	135 056 284	0	0	5 011 250	130 045 034	0	0
Supplier financing program	1 724 954 061	1 263 583 940	461 370 121	0	0	0	0
	8 105 287 128	**3 780 604 026**	**1 256 826 225**	**160 335 775**	**485 673 320**	**1 749 358 897**	**672 488 885**
AS AT 31 DECEMBER 2023	**Value**	**< 1 month**	**1-3 months**	**3-6 months**	**6-12 months**	**1-5 years**	**> 5 years**
Finance lease liabilities	2 457 914 183	40 371 931	80 069 338	117 893 496	226 441 366	1 272 839 491	720 298 560
Other finance liabilities	5 462 776	0	0	0	5 184 117	278 659	0
Liabilities due to financing of franchisees	11 086 912	7 034 399	4 052 513	0	0	0	0
Trade and other payables	3 308 920 430	2 535 117 105	751 363 645	0	645 628	21 794 051	0
Option for purchase/selling the [illegible]	104 480 658	0	0	0	104 480 658	0	0
Short-term loans and credits	541 999 309	68 611	21 363 404	21 181 198	84 038 049	415 348 046	0
The issuance of debt securities	145 202 432	0	0	5 085 000	5 029 932	135 087 500	0
Supplier financing program	1 411 171 800	1 088 482 222	322 689 579	0	0	0	0
	7 986 238 498	**3 671 074 268**	**1 179 538 479**	**144 159 694**	**425 819 750**	**1 845 347 747**	**720 298 560**

The structure of trade payables according to their maturity dates as at the balance sheet dates is presented in the table below.

AGING OF TRADE LIABILITIES AS AT 31.12.2024		
	Trade liabilities gross as at 31.12.2024	**Trade liabilities gross as at 31.12.2023**
current	4 823 946 556	4 635 736 321
1-30 days	16 258 510	14 830 386
31-90 days		460 150
91-180 days		1 590 850
> 180 days		2 105 578
Total	**4 840 205 066**	**4 654 723 285**

The structure of maturity of liabilities takes into account maturity of liabilities in settlement with the items of corrections of these liabilities from suppliers.

Credit covenants

In accordance with the key Senior Facilities Agreement concluded with a consortium of 8 banks for a total amount of PLN 1.001 billion, the debt balance of which as at 31 December 2024 amounted to PLN 505.7 million (PLN 433.2 million as at 31 December 2023), the Group is obliged to monitor financial indicators at the end of each reporting period. The Group, for each 12-month period falling at the end of each calendar quarter, is required to maintain the financial ratio of net debt / EBITDA at the level of:

- Leverage ratio (pre IFRS16) excluding the effect of IFRS 16 at a maximum level not exceeding 3.5 times the operating result plus depreciation, and
- Leverage ratio (post IFRS16) taking into account the effect of IFRS 16 at a maximum level not exceeding 5.5 times the operating result plus depreciation.

The calculation of financial ratios is precisely defined within the provisions of the Credit Agreement. As at 31 December 2024, the Group maintained compliance with the levels of ratios specified in the above agreement. At the same time, the Group does not assume that within 12 months from the balance sheet date there will be difficulties in achieving the target values set out in the Senior Facilities Agreement.

c. Market risk (including interest rate risk and currency risk)

Market risk is associated with changes in demand, supply and prices as well as other factors that will affect the Group's results or the value of assets (such as foreign exchange rates, interest rates, and fuel and energy prices). The goal of market risk management is to maintain exposure to this risk within an acceptable framework while optimizing return on risk. The Group does not hedge the risk of changes in the prices of products, goods and raw materials traded by the Group.

d. Currency risk

The currency risk is not a significant threat to the Group's operations, as the vast majority of its settlements are carried out in the domestic currency, and only a small part concerns either the payment in the currency or the payment indexed to the exchange rates. The Group monitors the currency risk and makes decisions on potential collaterals. In order to manage the currency risk, the Group allows the use of derivative instruments. The Group's activities in this area are primarily aimed at minimizing the volatility of financial flows, but it is permissible to use hedge accounting so as to minimize the volatility of profits and losses for the current period.

The currency risk occurs in two purchasing processes. (1) In commercial activities, a small part of purchases of goods such as wines, spirits, meat or fruit and vegetables are most often made directly in foreign currencies. The Group applies the principle of natural hedging due to the full price flexibility of these products. Moreover, the negligible scale of these purchases justifies the omission of these amounts in the risk analyzes. (2) in operating activities, part of the rents for the lease of commercial, logistics and office space is regulated directly in EUR, it is already indexed to it. In this case, the volatility of the EUR / PLN exchange rate affects the level of the Group's costs. The table below presents the value of this exposure in terms of balance sheet (valuation of rental contracts exposed to the risk of exchange rate fluctuations) and in terms of cash flows over the next 12 months.

Liabilities as at 31.12.2024 in PLN	2 085 106 308	Liabilities as at 31.12.2023 in PLN	2 103 349 686
Value PLN		**Value PLN**	
agreements in EUR	264 445 625	agreements in EUR	297 402 227
agreements in PLN	1 820 660 683	agreements in PLN	1 805 947 459
Agreement currency value		**Agreement currency value**	
agreements in EUR	61 887 579	agreements in EUR	68 399 776
agreements in PLN	1 820 660 683	agreements in PLN	1 805 947 459
Cash flow from 01.01 to 31.12.2024		**Cash flow from 01.01 to 31.12.2023**	
Agreement currency value		**Agreement currency value**	
agreements in EUR	17 992 591	agreements in EUR	20 973 280
agreements in PLN	373 659 283	agreements in PLN	359 777 621

The table below shows the sensitivity of the above-mentioned exposures to 1% changes in the exchange rate. Positive values indicate a positive effect in the income statement, negative values - a negative one.

sensitivity of the currency exposure	PLN	sensitivity of the currency exposure	PLN
sensitivity of the balance sheet exposure resulting from the valuation of rent agreements		**sensitivity of the balance sheet exposure resulting from the valuation of rent agreements**	
1% decrease of PLN currency	(2 644 456)	1% decrease of PLN currency	(2 974 022)
1% increase of PLN currency	2 644 456	1% increase of PLN currency	2 974 022
sensitivity of exposure resulting from financial flows over a period of 12 months under rent agreements		**sensitivity of exposure resulting from financial flows over a period of 12 months under rent agreements**	
1% decrease of PLN currency	(768 823)	1% decrease of PLN currency	(911 918)
1% increase of PLN currency	768 823	1% increase of PLN currency	911 918

Due to the negligible impact of currency risk on financial flows and the extremely long-term nature of currency risk in the balance sheet, the Group did not take any hedging actions in 2024. Both in 2024 and 2023, the Group had no open positions in currency derivatives. In 2025, similarly to 2024, we still expect exchange rate fluctuations. However, we believe that the exposure to this risk is so small that even this higher than usual volatility will not significantly affect the Group's profitability and liquidity.

e. Interest rate risk

The interest rate risk may result in increased costs of servicing debt based on a variable interest rate in the event of an increase in interest rates and in a decrease in interest income from investments in financial instruments in the event of a decrease in these rates.

The interest rate risk is associated with loans and advances drawn, as well as with factoring programs and leases. The following table presents the carrying amount of the Group's financial instruments exposed to interest rate risk, broken down by age category.

31 December 2024	< 1 year	2-5 years	> 5 years	Total
Cash and cash equivalents	403 379 606	-	-	**403 379 606**
The issuance of debt securities	(125 000 000)	-	-	**(125 000 000)**
Liabilities covered by reverse factoring	(1 716 017 979)	-	-	**(1 716 017 979)**
Factoring of receivables without recourse	(492 566 788)	-	-	**(492 566 788)**
Credits and loans	(122 975 350)	(400 368 000)	-	**(523 343 350)**
31 December 2023	**< 1 year**	**2-5 years**	**> 5 years**	**Total**
Cash and cash equivalents	273 753 007	-	-	**273 753 007**
The issuance of debt securities	-	(125 000 000)	-	**(125 000 000)**
Liabilities covered by reverse factoring	(1 405 186 288)	-	-	**(1 405 186 288)**
Factoring of receivables without recourse	(243 724 935)	-	-	**(243 724 935)**
Credits and loans	(90 047 037)	(361 872 000)	-	**(451 919 037)**

The table below presents the Group's vulnerability profile (maximum exposure) to the risk of changes in interest rates by presenting financial instruments divided by variable and fixed interest rates:

VARIABLE AND FIXED INTEREST RATE FINANCIAL INSTRUMENTS	31.12.2024	31.12.2023
Fixed interest rate instruments		
Financial assets	1 075 923	883 476
Financial liabilities	2 085 106 308	2 457 914 183
Variable interest rate instrument		
Financial assets	428 842 140	273 753 007
Financial liabilities	2 587 408 029	2 177 089 423

The financial instruments presented above do not include interest-free trade receivables and liabilities. The Group applied a consistent approach to recognition of these instruments in both reporting periods.

The Group prepared an analysis of the sensitivity of financial instruments with variable interest rates to changes in market interest rates. The table below presents the impact of an increase and decrease of the interest rate by 100 bp on the gross financial result and on equity less the gross financial result. The analysis was conducted assuming that all other variables, such as currency exchange rates, remain unchanged. The analysis was prepared for the current year and for the comparable period, i.e. 2023.

SENSITIVITY ANALYSIS OF FINANCIAL INSTRUMENTS				
	Income statement		Equity	
	increases 100bp	decreases 100bp	increases 100bp	dereases 100bp
31 December 2024	(21 585 659)	21 585 659	0	0
31 December 2023	(19 033 364)	19 033 364	0	0

The sensitivity analysis covers, respectively:

- the impact of one-percent (up and down) changes in interest rates on debt instruments - in the amount of interest analyzed, assuming the debt value remains unchanged
- the impact of one-percent (up and down) changes in the yield curve on derivative instruments – In the amount equal to the change in the valuation of these instruments

The Group hedges the risk of changes in interest rates in order to reduce the impact of changes in interest rates on the level of financial costs and to eliminate the mismatch resulting from income settlements

(regarding prepayment discounts between the Group and suppliers of goods) and costs (resulting from factoring programs).

As at 31 December 2024 the list of swap transactions concluded was.

Transaction date	Nominal value	Status	Start	End	Valuation as at 31.12.2024
13.10.2023	100 000 000	In progres	31.10.2023	30.06.2026	691 902
02.04.2021	278 709	In progres	02.04.2021	31.01.2025	18
02.04.2021	17 593 620	In progres	02.04.2021	16.03.2026	226 711
28.09.2020	11 825 800	In progres	30.09.2020	30.09.2025	157 294
					1 075 923

As at 31 December 2023 the list of transactions concluded was.

Transaction date	Nominal value	Status	Start	End	Valuation as at 31.12.2023
13.10.2023	100 000 000	In progress	31.10.2023	30.06.2026	-441 728
06.10.2022	300 000 000	In progress	31.12.2022	31.12.2024	-5 021 048
02.04.2021	255 319	In progress	02.04.2021	30.08.2024	2 343
02.04.2021	500 327	In progress	02.04.2021	15.10.2024	2 572
02.04.2021	1 674 859	In progress	02.04.2021	20.11.2024	10 144
02.04.2021	278 709	In progress	02.04.2021	31.01.2025	2 162
02.04.2021	17 593 620	In progress	02.04.2021	16.03.2026	496 616
28.09.2020	11 825 800	In progress	30.09.2020	30.09.2025	369 639
					-4 579 300

The company assumes that 2025 will not bring significant volatility in interest rates.

Capital management

The basic assumption of the Group's policy in the area of capital management is to maintain a strong capital base, which will be the basis of confidence on the part of investors, lenders and the market and which will ensure the future development of the Group. The Group monitors changes in shareholding, return on capital and the level of dividends paid to shareholders. The Group's goal is to achieve a capital return ratio at the level satisfying shareholders and to ensure the annual payment of dividend. In the presented period, no changes were introduced to the objectives, principles and processes in the field of capital management.

Determining fair values

The Group has interest rate risk hedging instruments, IRS, which are measured at fair value. For the aforementioned IRS, fair value has been classified to level 2 of the hierarchy - fair value is determined on the basis of values observed on the market, however, they are not direct market quotations (e.g. they are determined by direct or indirect reference to similar instruments existing on the market). Due to the applied hedge accounting, the valuation effect is recognized in other comprehensive income.

According to the Group's assessment, the fair value of cash, short-term deposits, trade receivables, trade payables, bank loans, loans and other assets and liabilities does not differ from the carrying amounts.

NOTE 35.

CLIMATE CHANGES

Eurocash Group is not exposed to the direct effects of climate change. In the long term, there is a risk of indirect climate change impacts affecting supply chains, customers, financing, insurance, and laws and regulations. However, as at the date of these financial statements, the Group did not show any significant influence on the annual financial statements of the Group.

NOTE 36.

OTHER SUBSEQUENT EVENTS

1. The war in Ukraine

The description of the impact of the war in Ukraine on the Company's operations is presented in detail in note No. 38 of the separate financial statements of Eurocash for 2023, published on March 27, 2024. In the audited period, there were no new factors or events related to the Ukrainian market that had a significant impact on the Company's operations. Since the outbreak of the war, the Company has ceased business contacts with contractors from Russia and Belarus.

However, it cannot be ruled out that a possible escalation of military operations in Ukraine by Russian troops will have a negative impact on the Group's market environment, among others. through disruptions in supply chains and the resulting shortages of raw materials at producers, migration movements in Poland or the mood among Polish consumers.

The Group's Management Board monitors the situation on an ongoing basis in order to take actions, if necessary, to minimize the negative impact of the above-mentioned. threats to the Group's operations.

2. Option to purchase shares in Arhelan Sp. z o. o.

As indicated in the Eurocash Group report for 2023 and in the quarterly and interim reports for 2024, on 13 March 2023, Eurocash submitted to the second partner of Arhelan Sp. z o.o. - Arhelan-Społecznie Odpowiedzialni Foundation (hereinafter referred to as the Foundation) - a declaration on evading the legal consequences of the declaration of intent - offer to purchase all of the Foundation's shares in the share capital of Arhelan Sp. z o.o. of 9 November 2021 (Put Option) as having been made under the influence of a legally significant error as to the content of the legal act. Consequently, Eurocash evaded the legal consequences of its declaration of intent to conclude the Put Option agreement, regulated in the investment agreement of 11 March 2021 (UI). In response to Eurocash's statement, the Foundation submitted letters that were the subject of Eurocash's replicas; exchange of the above-mentioned letters took place in the first half of 2023. On 27 November 2024, the Foundation submitted to the Company a declaration of exercise of the Put Option. The Foundation is of the opinion that as a result of submitting the above-mentioned declaration, a new sales agreement was concluded between it and the Company, under which the Company is obliged to pay PLN 152,145,746.91 to the Foundation in exchange for acquiring the remaining 50% of the Foundation's shares in the share capital of Arhelan Sp. z o.o. The Company questions the effectiveness of the declaration and the existence and amount of the Foundation's claim for payment of PLN 152,145,746.91 due to, among other things, the fact that on March 13, 2023, Eurocash evaded the effects of its declaration of intent to conclude the Put Option, and also for the reason that the Foundation's declaration would constitute an abuse of subjective rights.

Then, in a letter dated 17.12.2024, Eurocash, out of procedural caution, in addition to challenging the Foundation's statement as to its substance, also challenged the price, the calculation of which was

contrary to the UI. In the Company's opinion, the price was significantly overstated, to confirm which the Company raised a number of corrections, developed together with an independent, renowned advisor.

Since December 2024, there has been an exchange of non-procedural correspondence between the Company and the Foundation related to the submission of the above-mentioned statement by the Foundation.

In a letter dated 07.02.2025, the Foundation called on the Company to pay the amount of PLN 152,145,746.91.

Given that the Company disputes the Foundation's claim as to its substance and amount, in a letter dated 21.02.2025, the Company refused to pay the above-mentioned amount due to its unfoundedness.

At the time of preparation of the report, there are no legal proceedings pending in this matter, in particular the Foundation has not filed a lawsuit against the Company.

At the same time, as in previous reports, the Company indicates that: (a) submitting the above declaration on waiving the put option has no impact on the 50% stake in the share capital of Arhelan Sp. z o.o. already held by Eurocash and (b) the Group does not recognize the option to acquire shares in Arhelan Sp. z o.o. in the statement of financial position starting from the first quarter of 2023. Previously, this option was included in other long-term liabilities and capital in the last financial statement before submitting the declaration on waiving the option, i.e. the report for 2022, in the amount of PLN 71 million based on the valuation from December 2022.

3. Review of strategic options

In current reports of 2 April 2021 (current report no. 07/2021) and 1 February 2022 (current report no. 03/2022), the Company provided information on the review process of the Eurocash Group's strategic options.

According to current report no. 18/2022, the process of reviewing strategic options is ongoing. Its aim is to select the best way to achieve the Company's long-term goal, which is to develop the Group and maximize its value for the Company's current and future shareholders.

In accordance with the Company's announcements, during the review the Company analyzes scenarios, among others: related to the potential acquisition of new investors for the Company or its selected business segments or its subsidiaries; as well as with the potential reorganization of the Eurocash Group in order to further integrate the Group's structure. The above list of options is not exhaustive and does not prevent other options not listed above from being considered during the review, including divestment of assets.

4. Financing

The existing multi-purpose financing line for a total amount of PLN 120 million, under which the Company used an overdraft facility and ordered the issuance of bank guarantees, was divided into two separate agreements at the beginning of 2024. The first one is an overdraft facility up to PLN 100 million, while the second one is an agreement for a guarantee line up to PLN 80 million. As a result, the value of the financing limit increased by PLN 60 million.

5. Acquisition of 30% of shares in Firma Rogala Sp. z o.o. and increase of the share to 80% of the share capital of Firma Rogala Sp. z o.o.

On 25.10.2024, Eurocash, Rogala Hadrick Investments sp. z o.o., KRS: 0001134454 (previously: Rogala Hadrick Investments sp.j.) (RHI) and the ROGALA Family Foundation in the organization concluded a Preliminary Share Sale Agreement. Agreement Specifying the Principles of Cooperation in Firma Rogala (Preliminary Sale Agreement) under which, subject to the condition precedent of obtaining the consent of

the President of the Office of Competition and Consumer Protection for the concentration consisting in taking control of Firma Rogala sp. z o.o. (Firma Rogala) by Eurocash, RHI undertook to sell to Eurocash 145 shares in Firma Rogala, constituting approx. 30% of the share capital of Firma Rogala sp. z o.o. The price for the above-mentioned shares was determined in accordance with the put option formula resulting from the investment agreement of 18/09/2014. On 17/02/2025, the President of the Office of Competition and Consumer Protection issued a decision consenting to the concentration consisting in the acquisition by Eurocash of exclusive control over Firma Rogala sp. z o.o. Therefore, on 27/02/2025, the parties concluded a final sale agreement under which Eurocash purchased 30% of shares in Firma Rogala, increasing its capital share to 80%. In addition, in the Preliminary Sale Agreement, the Parties agreed that the remaining 20% of shares held by RHI in Firma Rogala may be sold by RHI to Eurocash under the put option – the price mechanism for the remaining 20% of shares was determined in accordance with the put option formula resulting from the investment agreement of 18 September 2014. In connection with the conclusion of the Preliminary Sale Agreement and the agreement on the principles of the new put option therein, the parties revoked the previous put option (resulting from the investment agreement of 18 September 2014) and adopted a resolution on amending the articles of association of Firma Rogala sp. z o.o. in such a way that the personal rights of RHI and Mr. and Mrs. Rogala will be removed from it

NOTE 37.

IMPORTANT EVENTS AFTER THE PERIOD COVERED BY THE FINANCIAL STATEMENTS

There were no significant events after the period covered by the financial statements other than those disclosed in the financial statements.

SIGNATURES OF THE MANAGEMENT BOARD MEMBERS

Position	Name and surname	Date	Signature
President of the Management Board	Paweł Surówka	2 April 2025	
Management Board Member, Human Resources Director	Katarzyna Kopaczewska	2 April 2025	
Management Board Member, Financial Director	Piotr Nowjalis	2 April 2025	
Management Board Member	Tomasz Polański	2 April 2025	
Management Board Member	Dariusz Stolarczyk	2 April 2025	
Management Board Member	Szymon Mitoraj	2 April 2025	
Management Board Member	Marcin Celejowski	2 April 2025	

Part

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Valuation of the Supervisory Board of Eurocash S.A.

Valuation of the Supervisory Board of Eurocash S.A. with reasoning concerning the consolidated financial statements of the Eurocash Group for 2024, the financial statement of Eurocash S.A. for 2024, the Report of the Management Board on business operations of Eurocash Group and Eurocash S.A. in 2024 as regards their conformity with books, documents and facts	**Ocena Rady Nadzorczej Eurocash S.A. wraz z uzasadnieniem dotycząca skonsolidowanego sprawozdania finansowego Grupy Eurocash za rok 2024, sprawozdania finansowego Eurocash S.A. za rok 2024, sprawozdania Zarządu z działalności Grupy Eurocash oraz Eurocash S.A. za rok 2024 w zakresie ich zgodności z księgami, dokumentami oraz ze stanem faktycznym**
The Supervisory Board of Eurocash S.A. on the basis of:	Rada Nadzorcza Eurocash S.A. w oparciu o:
1) the consolidated financial statement of the Eurocash Group for 2024 and the financial statements of Eurocash S.A. for 2024, 2) the Report of the Management Board on business operations of Eurocash Group and Eurocash S.A. in 2024 (including Eurocash Group Sustainability Report for 2024), 3) the reports from the examination of the separate and consolidated financial statements and the additional report of the auditing company for Audit Committee of the Supervisory Board of Eurocash S.A and sustainability reporting attestation report providing limited assurance, 4) meetings with representatives of the audit firm, 5) recommendation of the Audit Committee of the Supervisory Board of Eurocash S.A. regarding the opinion on the audited financial statements,	1) treść skonsolidowanego sprawozdania finansowego Grupy Eurocash za rok 2024 oraz sprawozdania finansowego Eurocash S. A. za rok 2024, 2) sprawozdania Zarządu z działalności Grupy Eurocash oraz Eurocash S.A. za rok 2024 (obejmującego Raport Zrównoważonego Rozwoju Grupy Eurocash za 2024 rok), 3) sprawozdań z badania jednostkowego i skonsolidowanego sprawozdania finansowego oraz sprawozdania dodatkowego firmy audytorskiej dla Komitetu Audytu Rady Nadzorczej Eurocash S.A. oraz sprawozdania z atestacji sprawozdawczości zrównoważonego rozwoju dającej ograniczoną pewność, 4) spotkań z przedstawicielami firmy audytorskiej, 5) rekomendacji Komitetu Audytu Rady Nadzorczej Eurocash S.A. w sprawie zaopiniowania zbadanych sprawozdań finansowych,
has made a positive assessment of:	dokonała pozytywnej oceny:
1) the consolidated financial statement of the Eurocash Group for 2024, 2) the financial statement of Eurocash S.A. for 2024, 3) the Report of the Management Board on business operations of Eurocash Group and Eurocash S.A. in 2024 (including Eurocash Group Sustainability Report for 2024),	1) skonsolidowanego sprawozdania finansowego Grupy Eurocash za rok 2024, 2) sprawozdania finansowego Eurocash S.A. za rok 2024, 3) sprawozdania Zarządu z działalności Grupy Eurocash oraz Eurocash S.A. za rok 2024 (obejmującego Raport Zrównoważonego Rozwoju Grupy Eurocash za 2024 rok),
with regard to their conformity with the books, documents and facts.	w zakresie ich zgodności z księgami, dokumentami oraz ze stanem faktycznym.
In the opinion of the independent expert auditor the financial statements of Eurocash S.A. and the consolidated financial statements of Eurocash Group present a diligent and transparent picture of the assets and financial situation of Eurocash S.A. and Eurocash Group as at 31 December 2024 and of the financial result for the financial year from 01 January 2024 to 31 December 2024, in accordance with the International Accounting Standards, the International Financial Reporting Standards and accounting principles (policy), and it is consistent as to form and contents with applicable laws.	W opinii niezależnego biegłego rewidenta sprawozdanie finansowe Eurocash S.A. oraz skonsolidowane sprawozdanie finansowe Grupy Eurocash przedstawia rzetelny i jasny obraz sytuacji majątkowej i finansowej Eurocash S.A. oraz Grupy Eurocash na dzień 31 grudnia 2024 roku oraz wyniku finansowego za rok obrotowy od dnia 01 stycznia 2024 roku do dnia 31 grudnia 2024 roku, zgodnie z Międzynarodowymi Standardami Rachunkowości, Międzynarodowymi Standardami Sprawozdawczości Finansowej oraz zasadami (polityką) rachunkowości, a także jest zgodne co do formy i treści z obowiązującymi przepisami prawa.

In the opinion of the independent expert auditor, the Report of the Management Board on business operations of Eurocash Group and Eurocash S.A. in 2024 was prepared in accordance with the applicable regulations and is consistent with the information contained in the financial statements of Eurocash S.A. and Eurocash Group.	W opinii niezależnego biegłego rewidenta, Sprawozdanie Zarządu z działalności Grupy Eurocash oraz Eurocash S.A. w 2024 roku zostało sporządzone zgodnie z mającymi zastosowanie przepisami i jest ono zgodne z informacjami zawartymi w sprawozdaniach finansowych Eurocash S.A. oraz Grupy Eurocash.
In the opinion of the independent expert auditor, Sustainability Reporting is compliant, in all material respects, with the requirements of Chapter 6c of the Accounting Act of 29 September 1994 (the Accounting Act), including the European Sustainability Reporting Standards (ESRS), the materiality assessment process carried out by Eurocash Group, in order to identify the information included in the Sustainability Reporting (Materiality Assessment Process), is compliant, in all material respects, with the ESRS and Sustainability Reporting is compliant, in all material respects, with the reporting requirements contained in Article 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088.	W opinii niezależnego biegłego rewidenta, Sprawozdawczość zrównoważonego rozwoju jest zgodna, we wszystkich istotnych aspektach, z wymogami Rozdziału 6c ustawy z dnia 29 września 1994 roku o rachunkowości (Ustawa o rachunkowości), w tym z Europejskimi Standardami Sprawozdawczości w zakresie Zrównoważonego Rozwoju (ESRS), proces oceny istotności przeprowadzony przez Grupę Eurocash, w celu identyfikacji informacji ujętych w Sprawozdawczości zrównoważonego rozwoju (Proces oceny istotności), jest zgodny, we wszystkich istotnych aspektach, z ESRS oraz Sprawozdawczość zrównoważonego rozwoju jest zgodna, we wszystkich istotnych aspektach, z wymogami sprawozdawczymi zawartymi w art. 8 rozporządzenia Parlamentu Europejskiego i Rady (UE) 2020/852 z dnia 18 czerwca 2020 roku w sprawie ustanowienia ram ułatwiających zrównoważone inwestycje, zmieniającego rozporządzenie (UE) 2019/2088.
In the opinion of the Supervisory Board of Eurocash S.A. the submitted financial statements for 2024, including the statement of financial position, the standalone profit and loss account and the standalone statement of comprehensive income, the standalone statement of changes in equity and the standalone cash flow statement, reflect correctly and reliably the result of the Company's business activity for the above financial year and the Company's assets and financial situation as at 31 December 2024.	W ocenie Rady Nadzorczej Eurocash S.A. przedłożone sprawozdanie finansowe za rok 2024, w tym sprawozdanie z sytuacji finansowej, jednostkowy rachunek zysków i strat oraz jednostkowe sprawozdanie z całkowitych dochodów, jednostkowe sprawozdanie ze zmian w kapitale własnym oraz jednostkowe sprawozdanie z przepływów pieniężnych, odzwierciedlają prawidłowo i rzetelnie wynik działalności gospodarczej Spółki za powyższy rok obrotowy oraz sytuację majątkową i finansową Spółki na dzień 31 grudnia 2024 roku.
In the opinion of the Supervisory Board, the submitted consolidated financial statement for 2024, including the consolidated statement of financial position, consolidated profit and loss account and consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement reflect correctly and reliably the result of the business activity of the Eurocash Group for the above financial year and the assets and financial situation of the Eurocash Group as at 31 December 2024.	W ocenie Rady Nadzorczej, przedłożone skonsolidowane sprawozdanie finansowe za rok 2024, w tym skonsolidowane sprawozdanie z sytuacji finansowej, skonsolidowany rachunek zysków i strat oraz skonsolidowane sprawozdanie z całkowitych dochodów, skonsolidowane sprawozdanie ze zmian w kapitale własnym oraz skonsolidowane sprawozdanie z przepływów pieniężnych odzwierciedlają prawidłowo i rzetelnie wynik działalności gospodarczej Grupy Eurocash za powyższy rok obrotowy oraz sytuację majątkową i finansową Grupy Eurocash na dzień 31 grudnia 2024 roku.
In the opinion of the Supervisory Board, the Report of the Management Board on business operations of Eurocash Group and Eurocash S.A. in 2024 (including Eurocash Group Sustainability Report for 2024) was prepared in a reliable and exhaustive manner.	W ocenie Rady Nadzorczej, przedstawione sprawozdania Zarządu z działalności Grupy Eurocash oraz Eurocash S.A. za rok 2024 (obejmujące Raport Zrównoważonego Rozwoju Grupy Eurocash za 2024 rok), zostało sporządzone w sposób rzetelny i wyczerpujący.
Legal basis:	Podstawa prawna:

Art. 382 § 3 of the Commercial Companies Code, § 14.2 (i) of the Statute of Eurocash S.A., § 70 Sec. 1 Item 14 and § 71 Sec. 1 Item 12 of the Regulation of the Minister of Finance of 29 March 2018 on current and periodic information provided by issuers of securities and conditions for recognising as equivalent information required by the laws of a non-member state.	Art. 382 § 3 Kodeksu Spółek Handlowych, § 14 ust. 2 (i) Statutu Eurocash S.A., § 70 ust. 1 pkt 14 oraz § 71 ust. 1 pkt 12 Rozporządzenia Ministra Finansów z 29 marca 2018 r. w sprawie informacji bieżących i okresowych przekazywanych przez emitentów papierów wartościowych oraz warunków uznawania za równoważne informacji wymaganych przepisami prawa państwa niebędącego państwem członkowskim.

Komorniki, 02.04.2025

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Luis Manuel Conceicao Pais do Amaral Chairman of the Supervisory Board/ Przewodniczący Rady Nadzorczej

Dr Hans Joachim Körber
Member of the Supervisory Board/
Członek Rady Nadzorczej

Francisco José Valente Hipólito dos Santos
Member of the Supervisory Board/
Członek Rady Nadzorczej

Przemysław Budkowski
Member of the Supervisory Board/
Członek Rady Nadzorczej

Jorge Mora
Member of the Supervisory Board/
Członek Rady Nadzorczej

Statement of the Supervisory Board of Eurocash S.A. Regarding the Audit Committee of Supervisory Board of Eurocash S.A.	**Oświadczenie Rady Nadzorczej Eurocash S.A. dotyczące Komitetu Audytu Rady Nadzorczej Eurocash S.A.**
The Supervisory Board of Eurocash S.A. hereby confirms that:	Rada Nadzorcza Eurocash S.A. niniejszym oświadcza, że:
1) Eurocash S.A. complies with the legal requirements regarding the appointment, composition and functioning of the audit committee, including fulfilling the independence criteria of its members, their knowledge and skills on the scope of activities conducted by the Eurocash S.A. and on accounting and reviewing of the financial statements,	1) w Eurocash S.A. są przestrzegane przepisy dotyczące powołania, składu i funkcjonowania Komitetu Audytu Rady Nadzorczej Eurocash S.A., w tym dotyczące spełnienia przez jego członków kryteriów niezależności oraz wymagań odnośnie do posiadania wiedzy i umiejętności z zakresu branży, w której działa Eurocash S.A., oraz w zakresie rachunkowości lub badania sprawozdań finansowych,
2) the Audit Committee of the Supervisory Board of Eurocash S.A. fulfilled and fulfills its legal obligations as required by common binding law.	2) funkcjonujący w Eurocash S.A. Komitet Audytu Rady Nadzorczej Eurocash S.A. wykonywał i wykonuje zadania komitetu audytu przewidziane w obowiązujących przepisach.
Legal basis: § 70 Sec 1 Item 8 and § 71 Sec. 1 Item 8 of Regulation of the Minister of Finance dated 29 March 2018 on current and periodical information published by issuers of securities and on conditions under which information required by legal regulations of a third country may be recognized as equivalent	Podstawa prawna: § 70 ust. 1 pkt 8 oraz § 71 ust. 1 pkt 8 Rozporządzenia Ministra Finansów z 29 marca 2018 r. w sprawie informacji bieżących i okresowych przekazywanych przez emitentów papierów wartościowych oraz warunków uznawania za równoważne informacji wymaganych przepisami prawa państwa niebędącego państwem członkowskim.

Komorniki, 02.04.2025

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Luis Manuel Conceicao Pais do Amaral Chairman of the Supervisory Board/Przewodniczący Rady Nadzorczej

Dr Hans Joachim Körber
Member of the Supervisory Board/
Członek Rady Nadzorczej

Francisco José Valente Hipólito dos Santos
Member of the Supervisory Board/
Członek Rady Nadzorczej

Przemysław Budkowski
Member of the Supervisory Board/
Członek Rady Nadzorczej

Jorge Mora
Member of the Supervisory Board/
Członek Rady Nadzorczej

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Information of the Management Board of Eurocash S.A.

INFORMATION OF THE MANAGEMENT BOARD OF EUROCASH S.A	**INFORMACJA ZARZĄDU EUROCASH S.A.**
Acting pursuant to § 70 Sec. 1 Item 7 and § 71 Sec. 1 Item 7 of the Regulation of the Minister of Finance of 29 March 2018 on current and periodic information provided by issuers of securities and conditions for recognizing as equivalent information required by the laws of a non-member state the Management Board of Eurocash S.A. submits information prepared on the basis of the Supervisory Board's statement that on March 21st, 2024 the Supervisory Board selected an auditing company that audited the annual standalone and consolidated financial statements of Eurocash S.A. and Eurocash Group in accordance with the regulations and procedure for selecting an audit firm, indicating that:	Działając na podstawie § 70 ust. 1 pkt 7 oraz § 71 ust. 1 pkt 7 Rozporządzenia Ministra Finansów z 29 marca 2018 r. w sprawie informacji bieżących i okresowych przekazywanych przez emitentów papierów wartościowych oraz warunków uznawania za równoważne informacji wymaganych przepisami prawa państwa niebędącego państwem członkowskim, Zarząd Eurocash S.A. przekazuje informację sporządzoną na podstawie oświadczenia Rady Nadzorczej, o dokonaniu w dniu 21 marca 2024 r. przez Radę Nadzorczą wyboru firmy audytorskiej przeprowadzającej badanie rocznego jednostkowego sprawozdania finansowego Eurocash S.A. oraz skonsolidowanego sprawozdania finansowego Grupy Kapitałowej Eurocash S.A. zgodnie z przepisami oraz procedurą wyboru firmy audytorskiej, wskazując, że:
– the audit firm and the members of the audit team met the conditions for drawing up an impartial and independent audit report on the standalone and consolidated annual financial statements in accordance with applicable regulations, professional standards and professional ethics,	– firma audytorska oraz członkowie zespołu wykonującego badanie spełniali warunki do sporządzenia bezstronnego i niezależnego sprawozdania z badania jednostkowego oraz skonsolidowanego rocznego sprawozdania finansowego zgodnie z obowiązującymi przepisami, standardami wykonywania zawodu i zasadami etyki zawodowej,
– the applicable regulations related to the rotation of the audit firm and the key statutory auditor and mandatory grace periods are observed,	– są przestrzegane obowiązujące przepisy związane z rotacją firmy audytorskiej i kluczowego biegłego rewidenta oraz obowiązkowymi okresami karencji,
– the Company has a policy regarding the selection of an auditing company and a policy for providing the Company with an auditor, an entity related to the auditing company or a member of its network of additional non-audit services, including conditionally exempt services from the audit company.	– Spółka posiada politykę w zakresie wyboru firmy audytorskiej oraz politykę w zakresie świadczenia na rzecz Spółki przez firmę audytorską, podmiot powiązany z firmą audytorską lub członka jego sieci dodatkowych usług niebędących badaniem, w tym usług warunkowo zwolnionych z zakazu świadczenia przez firmę audytorską.

Komorniki, 02.04.2025

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Paweł Surówka
President of the Management Board/
Prezes Zarządu

_____
Katarzyna Kopaczewska
Member of the Management Board/
Członek Zarządu

_____
Piotr Nowjalis
Member of the Management Board/
Członek Zarządu

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Szymon Mitoraj
Member of the Management Board/
Członek Zarządu

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Dariusz Stolarczyk
Member of the Management Board/
Członek Zarządu

_____
Tomasz Polański
Member of the Management Board/
Członek Zarządu

_____
Marcin Celejowski
Member of the Management Board/
Członek Zarządu

STATEMENT OF THE MANAGEMENT BOARD OF EUROCASH S.A.	OŚWIADCZENIE ZARZĄDU EUROCASH S.A.
Acting pursuant to § 70 Sec. 1 Item 6 and § 71 Sec. 1 Item 6 of the Regulation of the Minister of Finance of 29 March 2018 on current and periodic information provided by issuers of securities and conditions for recognizing as equivalent information required by the laws of a non-member state, the Management Board of Eurocash S.A. represents - to its best knowledge - that:	Działając na podstawie § 70 ust. 1 pkt 6 oraz § 71 ust. 1 pkt 6 Rozporządzenia Ministra Finansów z 29 marca 2018 r. w sprawie informacji bieżących i okresowych przekazywanych przez emitentów papierów wartościowych oraz warunków uznawania za równoważne informacji wymaganych przepisami prawa państwa niebędącego państwem członkowskim, Zarząd Eurocash S.A. oświadcza, że wedle jego najlepszej wiedzy:
– the annual financial statements of Eurocash S.A. and consolidated annual financial statements of Eurocash Group and comparative data were drawn up in accordance with the applicable accounting principles and reflect in a true, diligent and transparent manner the economic and financial position of Eurocash S.A. and Eurocash Group and of their financial performance for 2024,	– roczne sprawozdanie finansowe Eurocash S.A. i skonsolidowane sprawozdanie finansowe Grupy Kapitałowej Eurocash S.A. i dane porównywalne sporządzone zostały zgodnie z obowiązującymi zasadami rachunkowości oraz że odzwierciedlają w sposób prawdziwy, rzetelny i jasny sytuację majątkową i finansową Eurocash S.A. i Grupy Kapitałowej Eurocash S.A. oraz ich wynik finansowy za 2024 r.,
– the Report of the Management Board on business operations of Eurocash Group and Eurocash S.A. in 2024 (including Eurocash Group Sustainability Report for 2024) contains a true view of the development, achievements and the position of Eurocash S.A. and Eurocash Group, including the description of main risks and threats.	– sprawozdanie Zarządu z działalności Grupy Eurocash oraz Eurocash S.A. w 2024 r. (obejmujące Raport Zrównoważonego Rozwoju Grupy Eurocash za 2024 rok) zawiera prawdziwy obraz rozwoju, osiągnięć oraz sytuacji Eurocash S.A. i Grupy Eurocash w tym opis podstawowych zagrożeń i ryzyka.

Komorniki, 02.04.2025

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Paweł Surówka
President of the Management Board/
Prezes Zarządu

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Katarzyna Kopaczewska
Member of the Management Board/
Członek Zarządu

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Piotr Nowjalis
Member of the Management Board/
Członek Zarządu

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Szymon Mitoraj
Member of the Management Board/
Członek Zarządu

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Dariusz Stolarczyk
Member of the Management Board/
Członek Zarządu

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Tomasz Polański
Member of the Management Board/
Członek Zarządu

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Marcin Celejowski
Member of the Management Board/
Członek Zarządu