REPORT OF THE MANAGEMENT BOARD ON THE ACTIVITIES OF THE EUROCASH GROUP AND EUROCASH S.A.

1. Description of Eurocash Group activities

Eurocash Group is one of the largest distributors of food products, household chemicals, alcohol and tobacco (fast moving consumer goods - FMCG products) in Poland. Eurocash Group focuses its business on the wholesale distribution of goods to customers in all significant segments of the traditional wholesale market, in particular to independent retail shops throughout Poland, including those based on the Group's franchise systems. In addition, in order to ensure a scale appropriate to ensure the competitiveness of its customers, Eurocash Group is developing a network of its own retail shops.

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

Wholesale - wholesale distribution format:

- **Eurocash Dystrybucja** - comprising:
    - Companies engaged in active distribution (Eurocash S.A., AMBRA Sp. z o.o., Polska Dystrybucja Alkoholi sp. z o.o.);
    - Companies organising and supporting franchise and partner retail shop networks:
        - Eurocash Sieci Partnerskie Sp. z o.o.: abc, Groszek, Euro Sklep chains;
        - Lewiatan chain: 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.;
        - Gama brand shop franchise system
- **Cash&Carry** - nationwide chain of discount wholesale stores
- **Eurocash Serwis** - active distribution of tobacco products and impulse products
- **Eurocash Gastronomia** - supplies for restaurant and hotel chains;
- **Others** - Cerville Investments Sp. z o.o., Innowacyjna Platforma Handlu Sp. z o.o., 4vapers Sp. z o.o.

Retail - Eurocash Group retail sales and Eurocash wholesale sales:

- **Delikatesy Centrum**:
    - **Delikatesy Centrum franchise shops** - a franchise system for retail shops under the 'Delikatesy Centrum' brand organised by Eurocash Franczyza sp. z o.o. (sales and wholesale margin);
    - **Delikatesy Centrum own shops** - own shops, managed within companies: Delikatesy Centrum Sp. z o.o., FHC-2 Sp. z o.o., Madas sp. z o.o., Podlaskie Delikatesy Centrum Sp. z o.o. (Eurocash holds 100% of shares), Firma Rogala Sp. z o.o. (Eurocash holds

50% of the shares) and Arhelan sp. z o.o. (as of May 2022, Eurocash holds 50% of the shares)

- **Lewiatan Partner** - own shops under the Lewiatan brand, managed by Partner Sp. z o.o. (Eurocash holds 100% of shares);
- **Inmedio** - newsagents operating under the Inmedio and Inmedio Trendy brands.

Projects - sales revenue realised by new projects conducted by Eurocash S.A. and its subsidiaries: Frisco S.A., Duży Ben Sp. z o.o., Kontigo Sp. z o.o., ABC na kołach Sp. z o.o.

Other - includes the activities of service and non-operating companies, including Eurocash VC3 Sp. z o.o., Detal Finanse 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's operations are focused on Poland.

Capital and organisational links in Eurocash Group

The diagram below shows the structure of the Eurocash Group and the Group's subordinated entities as at 30.06.2023:

Eurocash S.A. is the parent company in the Eurocash S.A. capital group, which holds shares in subsidiaries directly or indirectly through its other subsidiaries.

Eurocash S.A. is a shareholder (holds shares directly) of the following companies:
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 Holding S.A., 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., Partnerski Serwis Detaliczny S.A., Eurocash Sieci Partnerskie sp. z o.o., ABC sp. z o.o. w likwidacji, Partner sp. z o.o., Inmedio sp. z o.o., Firma Rogala sp. z o.o., FHC-2 sp. z o.o., Madas sp. z o.o., EKO Holding S.A. w likwidacji, Delikatesy Centrum sp. z o.o., Arhelan sp. z o.o., Duży Ben sp. z o.o., ABC na kołach sp. z o.o., Innowacyjna Platforma Handlu sp. z o.o., Frisco S.A., Przedsiębiorstwo Handlu Spożywczego sp. z o.o. w likwidacji, Eurocash VC3 sp. z o.o., Eurocash Trade 1 sp. z o.o.

In the case of the companies indicated below, Eurocash S.A. holds shares indirectly, i.e.:
- through Eurocash Franczyza sp. z o.o. holds shares in the share capital of:
Cerville Investments sp. z o.o., Podlaskie Delikatesy Centrum sp. z o.o., Kontigo sp. z o.o., Akademia Umiejętności Eurocash sp. z o.o., Detal Finanse sp. z o.o., 4Vapers sp. z o.o as well as part of the shares of Eurocash VC3 sp. z o.o. (the others are held directly),
- through Frisco S.A. holds shares in the share capital of: Dorvest sp. z o.o., FR24 sp. z o.o.,
- through Delikatesy Centrum sp. z o.o. holds shares in the share capital of Eurocash Nieruchomości sp. z o.o.,
- through Partnerski Serwis Detaliczny S.A. holds shares in the share capital of Gama Detal sp. z o.o.,
- through Firma Rogala sp. z o.o. holds shares in the share capital of Delikatesy Rogala Obszar I sp. z o.o., Delikatesy Rogala Obszar II sp. z o.o. w likwidacji, Delikatesy Rogala Obszar III sp. z o.o. w likwidacji, Delikatesy Rogala Obszar IV sp. z o.o. w likwidacji, Delikatesy Rogala Obszar V sp. z o.o. w likwidacji,
- through Arhelan sp. z o.o. holds shares in the share capital of Stormer sp. z o.o.,
- through EKO Holding S.A. w likwidacji holds part of the shares of Delikatesy Centrum sp. z o.o. (the others are held directly),
- through the aforementioned Lewiatan commercial companies, holds part of the shares of Lewiatan Holding S.A. (the others it owns directly).

Summary of the financial and operational results achieved by the Eurocash Group in Q2 and H1 2023.

Profitability analysis - profit and loss

Table 1: Eurocash Group: summary of financial results for Q2 2023.

PLN million	**Q2 2023**	**Q2 2022**	**% change**
Revenue from sale of products, goods and materials	8 378,8	7 838,8	6,9%
Gross profit on sales Gross profitability on sales	1 093,9 13,1%	1 058,1 13,5%	3,4% -0.4 p.p.
EBITDA (EBIT+ depreciation and amortisation) (EBITDA margin %)	268,9 3,2%	256,3 3,3%	4,9% -0.1 p.p.
Operating profit – EBIT (Operating profit margin - EBIT %)	112,1 1,3%	104,5 1,3%	7,3% 0.0 p.p.
Gross profit	70,5	51,8	36,0%
Net profit (Net profit margin %)	50,7 0,6%	19,2 0,2%	164,4% 0.4 p.p.

Table 2: Eurocash Group: summary of financial results for H1 2023.

PLN million	**H1 2023**	**H1 2022**	**% change**
Revenue from sales of products, goods and materials	15 967,2	14 366,7	11,1%
Gross profit on sales Gross profitability on sales	2 113,4 13,2%	1 966,9 13,7%	7,5% -0.5 p.p.
EBITDA (EBIT+ depreciation and amortisation) *(EBITDA margin %)*	434,4 2,7%	407,3 2,8%	6,6% -0.1 p.p.
Operating profit - EBIT *(Operating profit margin - EBIT %)*	126,3 0,8%	106,1 0,7%	19,0% 0.1 p.p.
Gross profit	22,8	12,6	80,8%
Net profit *(Net profit margin %)*	1,0 0,01%	(31,1) -0,22%	- 0.22 p.p.

Eurocash Group's consolidated sales in Q2 2023 amounted to nearly PLN 8,379 million, an increase of 7% year-on-year. In H1 2023, consolidated sales reached PLN 15,967 million compared to PLN 14,367 million in the same period of the previous year, which translates into an 11% increase. The year-on-year increase in sales is driven by the improved performance of companies in all the Group's business segments.

Consolidated gross margin on sales was 13.1% in Q2 2023, down 0.4 p.p. y/y. In H1 2023, gross margin on sales is down 0.5 p.p. y/y at 13.2%.

Eurocash Group's consolidated EBITDA in Q2 2023 was PLN 269 million. Consolidated EBITDA in H1 2023 was PLN 434 million. Eurocash Group's net profit in Q2 2023 was close to PLN 51 million. Net profit in H1 2023 was PLN 1 million.

Sales by format

Table 3: Eurocash Group: dynamics of external sales of goods by format distribution in Q2 2023.

PLN million	Q2 2023	Q2 2022	% change
Wholesale	**6 118,5**	**5 684,2**	**7,6%**
Cash&Carry	1 292,4	1 308,5	-1,2%
Eurocash Service	2 679,4	2 253,5	18,9%
Eurocash Distribution	2 065,8	2 049,8	0,8%
Eurocash Gastronomy	75,4	64,0	17,9%
Other	5,5	8,5	-35,2%
Retail	**2 001,4**	**1 940,2**	**3,2%**
Delikatesy Centrum Franchise	687,2	682,4	0,7%
Own + partner supermarkets	1142,8	1115,3	2,5%
Inmedio	171,5	142,5	20,4%
Projects	**222,4**	**180,8**	**23,0%**
Eurocash Group	**8342,3**	**7 805,2**	**6,9%**

Table 4: Eurocash Group: dynamics of external sales of goods by distribution format in H1 2023.

PLN million	H1 2023	H1 2022	% change
Wholesale	**11 626,2**	**10 351,2**	**12,3%**
Cash&Carry	2 436,2	2 390,6	1,9%
Eurocash Service	5 052,3	4 112,1	22,9%
Eurocash Dystrybucja	3 982,3	3 724,7	6,9%
Eurocash Gastronomy	143,2	108,6	31,9%
Other	12,2	15,1	-19,6%
Retail	**3 831,6**	**3 600,9**	**6,4%**
Delikatesy Centrum Franchise	1 327,8	1 266,0	4,9%
Own + partner supermarkets	2 172,7	1 754,2	5,0%
Inmedio	331,1	265,1	24,9%
Projects	**432,5**	**349,2**	**23,9%**
Eurocash Group	**15 890,3**	**14 301,3**	**11,1%**

Wholesale

- In Q2 2023, external sales of Wholesale segment goods amounted to more than PLN 6.1 billion, up 7.6% compared to Q2 2022. In H1 2023, sales amounted to PLN 11.6 billion, up 12.3% year-on-year. The strongest growths were recorded by Eurocash Service and Eurocash Gastronomy.
- EBITDA of the Wholesale segment in Q2 2023 amounted to PLN 216 million. EBITDA in H1 2023 amounted to PLN 378 million.
- LFL sales growth for the fixed number of Eurocash Cash&Carry discount wholesalers was -1% in Q2 2023 and 2.3% in H1 2023.
- The number of Eurocash Cash&Carry discount wholesalers at the end of H1 2023 is 178.
- The number of partner and franchise shops organised as part of the Partner Networks coordinated by Eurocash Partner Networks was at the end of Q2 2023 10,152, recording an increase of 33 shops compared to the previous quarter. Including the largest chain, ABC, there were 7425 shops in mid-2023. Relative to the end of Q1 2023, the number of ABC shops increased by 50.
- Eurocash Service sales by value increased by 18.9% in Q2 2023. In H1 2023, the increase was 22.9%

Retail

- External merchandise sales made by the Retail segment in Q2 2023 reached PLN 2 billion and increased by 3.2% y/y. In H1 2023, sales reached PLN 3.8 billion and increased by 6.4% y/y.
- EBITDA of the Retail segment in Q2 2023 amounted to PLN 95 million. EBITDA of the Retail segment in H1 2023 was PLN 148 million.
- The growth in retail sales realised by 'Delikatesy Centrum' shops in LFL terms was 4.5% in Q2 2023 and 6.9% H1 2023 y/y.
- The sales growth rate for the fixed number of Inmedio shops in Q2 2023 was 15.6% year-on-year.
- The number of Small Supermarkets at the end of Q2 2023 decreased by 7 to 1,624, including 908 Franchised shops and 716 Own shops.
- The number of shops under the 'Delikatesy Centrum' banner was 1,472 outlets at the end of Q2 2023.
- The number of press kiosks operating under the Inmedio brand at the end of Q2 2023 was 430 outlets.

Projects

- Merchandise sales realised by the Projects segment in Q2 2023 amounted to PLN 222 million compared to PLN 181 million in Q2 2022. In H1 2023, sales amounted to PLN 433 million compared

to PLN 350 million in H1 2022 and achieved a 24% y-o-y growth. The dynamic growth was achieved mainly due to the increase in sales of Frisco and Duży Ben.

- EBITDA of the Projects segment amounted to PLN -9.2 million in Q2 2023. In H1 2023. EBITDA amounted to PLN -23.1 million.

Other

- The EBITDA of the Other segment - which is mainly affected by the costs of the Eurocash Group's central divisions - amounted in Q2 2023 to PLN -33.8 million. In H1 2023, EBITDA amounted to PLN -67.8 million.

Operating segments

Below are the quarterly results for each segment from 2022 to 2023.

Table 5: Eurocash Group: performance of business segments in Q1 and Q2 2023.

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	**14,2**
(EBIT margin %)	*1,8%*	*-0,9%*	*-13,6%*	*0,0%*	***0,2%***
EBITDA	161,1	52,2	-13,9	-34,0	**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	6 118,5	2 001,4	222,4	0,0	**8 342,3**
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%***

Table 6: Eurocash Group: results of business segments in 2023 cumulatively

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	**14,2**
(EBIT margin %)	*1,8%*	*-0,9%*	*-13,6%*	*0,0%*	***0,2%***
EBITDA	161,1	52,2	-13,9	-34,0	**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	11 626,2	3 831,6	432,5	0,0	**15 890,3**
EBIT	248,3	8,7	-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%***

Table 7: Eurocash Group: performance of business segments in Q1 and Q2 2022.

Q1 2022 (PLN million)	**Wholesale**	**Retail**	**Projects**	**Other**	**Total**
Revenue from sale of goods	4 667,0	1 660,7	168,4	0,0	**6 496,1**
EBIT	85,5	-17,6	-29,4	-36,8	**1,7**
(EBIT margin %)	*1,8%*	*-1,1%*	*-17,5%*	*0,0%*	***0,0%***
EBITDA	146,5	51,9	-15,5	-31,8	**151,0**
(EBITDA margin %)	*3,1%*	*3,1%*	*-9,2%*	*0,0%*	***2,3%***
Q2 2022 (PLN million)	**Wholesale**	**Retail**	**Projects**	**Other**	**Total**
Revenue from sale of goods	5 684,2	1 940,2	180,8	0,0	**7 805,2**
EBIT	143,6	19,1	-27,8	-30,5	**104,5**
(EBIT margin %)	*2,5%*	*1,0%*	*-15,4%*	*0,0%*	***1,3%***
EBITDA	205,0	89,3	-12,3	-25,6	**256,3**
(EBITDA margin %)	*3,6%*	*4,6%*	*-6,8%*	*0,0%*	***3,3%***

Table 8: Eurocash Group: performance of business segments in 2022 cumulatively

Q1 2022 (PLN million)	**Wholesale**	**Retail**	**Projects**	**Other**	**Total**
Revenue from sale of goods	4 667,0	1 660,7	168,4	0,0	**6 496,1**
EBIT	85,5	-17,6	-29,4	-36,8	**1,7**
(EBIT margin %)	*1,8%*	*-1,1%*	*-17,5%*	*0,0%*	***0,0%***
EBITDA	146,5	51,9	-15,5	-31,8	**151,0**
(EBITDA margin %)	*3,1%*	*3,1%*	*-9,2%*	*0,0%*	***2,3%***
Q2 2022 (PLN million)	**Wholesale**	**Retail**	**Projects**	**Other**	**Total**
Revenue from sale of goods	10 351,2	3 600,9	349,2	0,0	**14 301,3**
EBIT	229,2	1,5	-57,2	-67,3	**106,1**
(EBIT margin %)	*2,2%*	*0,0%*	*-16,4%*	*0,0%*	***0,7%***
EBITDA	351,5	141,1	-27,8	-57,4	**407,3**
(EBITDA margin %)	*3,4%*	*3,9%*	*-8,0%*	*0,0%*	***2,8%***

Cash flow

Table 9: Eurocash Group: consolidated cash flow for Q2 2023.

PLN million	**Q2 2023**	**Q2 2022**
Cash flow from operating activities	*306,3*	266,1
profit before tax	*70,5*	*51,8*
depreciation	*156,7*	*151,8*
change in working capital	*118,3*	*60,6*
other	*(39,2)*	*1,9*
Flows from investing activities	(46,0)	(52,6)
Cash flow from financing activities	(23,1)	(160,8)
Total cash flow	237,2	52,7

Table 10: Eurocash Group: consolidated cash flow for H1 2023.

PLN million	**H1 2023**	**H1 2022**
Cash flow from operating activities	425,4	276,0
profit before tax	*22,8*	*12,6*
Depreciation	*308,1*	*301,2*
change in working capital	*100,1*	*(35,3)*
other	*(5,5)*	*(2,6)*
Flows from investing activities	(79,3)	(95,9)
Cash flow from financing activities	(180,2)	(134,4)
Total cash flow	165,8	45,7

Total cash flow in Q2 2023 was PLN 237 million and cash flow from operating activities reached PLN 306 million. Cash flow from investing activities amounted in Q2 2023 to PLN -46 million and cash flow from financing activities: PLN -23 million.

In H1 2023, total cash flow amounted to PLN 166 million and cash flow from operating activities reached PLN 425 million. Cash flow from investing activities amounted in H1 2023 to PLN -79 million and cash flow from financing activities: PLN -180 million.

Working capital turnover

Table 11: Eurocash Group: working capital turnover ratios for Q2 2023.

Rotation of working capital components in days	Q2 2023	Q2 2022
1.Stock rotation cycle	18,3	18,7
2.Receivables turnover cycle	14,9	16,6
3.Liability rotation cycle	(52,6)	(52,8)
4.Operational cycle (1+2)	33,2	35,2
5.Cash conversion (4+3)	(19,4)	(17,6)

Table 12: Eurocash Group: working capital turnover ratios for H1 2023.

Rotation of working capital components in days	H1 2023	H1 2022
1.Stock rotation cycle	19,1	20,2
2.Receivables turnover cycle	15,5	18,0
3.Liability rotation cycle	(55,0)	(57,4)
4.Operational cycle (1+2)	34,6	38,2
5.Cash conversion (4+3)	(20,4)	(19,2)

The cash conversion cycle in Q2 2023 reached -19.4 days compared to -17.6 days in Q2 2022. In H1 2023, the cash conversion cycle was -20.4 days compared to -19.2 days in H1 2022.

Statement of financial position

The volumes of fixed and current assets, equity, liabilities and provisions for liabilities and their share of total assets are shown in the table below:

Table 13: Eurocash Group: selected balance sheet items

PLN million	30.06.2023		31.12.2022	
Non-current assets	5 187,4	58,7%	5 185,9	59,8%
Current assets	3 645,3	41,3%	3 484,0	40,2%
Total Assets	8 832,7	100,0%	8 669,8	100,0%
Equity	793,7	9,0%	798,9	9,2%
Liabilities and Reserves	8 039,1	91,0%	7 870,9	90,8%
Total Liabilities	8 832,7	100,0%	8 669,8	100,0%

Eurocash Group's net debt at the end of H12023 was PLN 2,747 million. Before IFRS16, net debt was PLN 647 million compared to PLN 926 million a year earlier.

2. Summary of financial results achieved by Eurocash S.A. in Q2 2023 and H1 2023.

Profit and loss account

Table 14: Eurocash S.A.: Summary of financial results for Q2 2023.

PLN million	Q2 2023	Q2 2022	% change
Revenue from sale of products, goods and materials	4 755,0	4 742,10	0,3%
Gross profit on sales Gross profitability on sales	484,3 10,2%	565,1 11,9%	-14,3% -1.7 p.p.
EBITDA (EBIT+ depreciation and amortisation) *(EBITDA margin %)*	113,6 2,4%	182,8 3,9%	-37,8% -1.5 p.p.
Operating profit - EBIT *(Operating profit margin - EBIT %)*	41,0 0,9%	111,0 2,3%	-63,1% -1.5 p.p.
Gross profit	124,1	81,5	52,2%
Net profit *(Net profit margin %)*	118,4 2,5%	64,9 1,4%	82,5% 1.1 p.p.

Table 15: Eurocash S.A.: Summary of financial results for H1 2023.

PLN million	H1 2023	H1 2022	% change
Revenue from sale of products, goods and materials	9 107,5	8 696,9	4,7%
Gross profit on sales Gross profitability on sales	969,0 10,6%	1 051,40 12,1%	-7,8% -1.5 p.p.
EBITDA (EBIT+ depreciation and amortisation) *(EBITDA margin %)*	208,4 2,3%	335,0 3,9%	-37,8% -1.6 p.p.
Operating profit - EBIT *(Operating profit margin - EBIT %)*	63,9 0,7%	191,8 2,2%	-66,7% -1.5 p.p.
Gross profit	111,4	125,1	-10,9%
Net profit *(Net profit margin %)*	105,4 1,2%	98,9 1,1%	6,7% 0.02 p.p.

In Q2 2023, Eurocash S.A. sales amounted to PLN 4,755 million, up 0.3% year-on-year. In H1 2023, sales amounted to PLN 9,107 million, up 4.7% year-on-year.

Eurocash S.A.'s gross margin on sales was 1.7 p.p. lower in Q2 2023 than last year and amounted to 10.2%. In H1 2023, the gross margin on sales was 10.6%, down 1.5 p.p. year-on-year.

In Q2 2023. EBITDA amounted to PLN 114 million. In H1 2023. EBITDA reached PLN 208 million. Net profit in Q2 2023 was PLN 118 million. In H1 2023, net profit was PLN 105 million.

Cash flow

Table 16: Eurocash S.A.: Cash flow for Q2 2023.

PLN million	**Q2 2023**	**Q2 2022**
Cash flow from operating activities	157,4	238,5
profit before tax	124,1	*81,5*
depreciation	72,7	*71,8*
change in working capital	82,9	*87,1*
other	(122,3)	*(2,0)*
Flows from investing activities	(13,6)	(20,3)
Cash flow from financing activities	(15,0)	(189,6)
Total cash flow	128,8	28,6

Table 17: Eurocash S.A.: Cash flow for H1 2023.

PLN million	**H1 2023**	**H1 2022**
Cash flow from operating activities	(16,4)	330,5
profit before tax	111,4	*125,1*
depreciation	144,5	*143,2*
change in working capital	(165,3)	*43,3*
other	(107,0)	*18,9*
Flows from investing activities	(22,4)	(52,5)
Cash flow from financing activities	146,9	(234,8)
Total cash flow	108,1	43,2

Total cash flow in Q2 2023 was PLN 129 million, compared to nearly PLN 29m last year. Total cash flow in H1 2023 was PLN 108 million, compared to PLN 43 million in H1 2022.

Working capital turnover

Table 18: Eurocash S.A.: Working capital turnover ratios for Q2 2023.

Rotation of working capital components in days	Q2 2023	Q2 2022
1.Stock rotation cycle	18,8	17,7
2.Receivables turnover cycle	23,8	21,2
3.Liability rotation cycle	(64,2)	(63,1)
4.Operational cycle (1+2)	42,6	38,9
5.Cash conversion (4+3)	(21,6)	(24,2)

Table 19: Eurocash S.A.: Working capital turnover ratios for H1 2023.

Rotation of working capital components in days	H1 2023	H1 2022
1.Stock rotation cycle	19,6	19,2
2.Receivables turnover cycle	24,7	23,0
3.Liability rotation cycle	(67,0)	(68,5)
4.Operational cycle (1+2)	44,3	42,2
5.Cash conversion (4+3)	(22,7)	(26,4)

The cash conversion cycle in Q2 2023 was -21.6 days, while in H1 2023 it was -22.7 days. The cash conversion cycle in Q2 2022 was -24.2 days, while in H1 2023 it was -26.4 days.

Statement of financial position

The volumes of fixed and current assets, equity, liabilities and provisions for liabilities and their share of total assets are shown in the table below:

Table 20: Eurocash S.A.: Selected balance sheet items

PLN million	**30.06.2023**		**31.12.2022**	
Non-current assets	4 400,9	62,7%	4 477,4	65,3%
Current assets	2 616,9	37,3%	2 378,2	34,7%
Total Assets	7 017,8	100,0%	6 855,6	100,0%
Equity	1 514,5	21,6%	1 462,9	21,3%
Liabilities and Reserves	5 503,3	78,4%	5 392,7	78,7%
Total Liabilities	7 017,8	100,0%	6 855,6	100,0%

3. Definitions of financial ratios

Gross sales profitability:	The ratio of gross sales margin to sales revenue.
EBITDA profitability:	The ratio of EBITDA (operating profit plus depreciation and amortisation) to sales revenue.
Operating profitability:	The ratio of operating profit to sales revenue.
Profitability of net sales:	The ratio of net profit to sales revenue.
Inventory turnover cycle:	The ratio of inventory at the end of the period to sales revenue in 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 sales revenue 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 the cost of sales in the period multiplied by the number of days in the period.
Operating cycle:	The sum of the inventory turnover and receivables turnover cycles.
Cash conversion cycle:	The difference between the operating cycle and the accounts payable cycle.
Net debt	The sum of long-term and short-term borrowings and financial liabilities less cash and cash equivalents.

The presented Non-IFRS Data has not been audited or reviewed by an independent auditor. Non-IFRS data are not financial data under EU IFRS. Non-IFRS data are not uniformly defined and calculated by other entities and, consequently, may not be comparable to data presented by other entities, including entities operating in the same sector as the Eurocash Group. The financial information in question should be analysed only as an addition to, and not as a substitute for, financial information prepared in accordance with EU IFRS. Non-IFRS data should not be assigned a higher level of materiality than measurements directly derived from the Consolidated Financial Statements.

4. Significant events and factors affecting Eurocash Group's financial performance in H1 2023.

Changes in equity

No shares were issued between 1st of January 2023 and 30th of June 2023.

There were no other significant events affecting the Eurocash Group's financial results in H1 2023.

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

External factors

Macroeconomic situation. The purchasing power of the population.

A slowdown in economic growth, a decline in purchasing power and a reduction in household spending on consumption could have a negative impact on the Group's sales volumes.

This impact is mitigated by salary increases, including the minimum wage, the increase and number of pensions paid out, as well as heating and electricity subsidies and the so-called credit holiday for mortgages. Management monitors the performance of budgets on an ongoing basis in terms of both executed sales plans and the challenges posed by rising cost pressures and responds to emerging risks.

The year 2022 saw a high increase in inflation, especially in the food products that the Group sells. In the first half of 2023, the price growth rate is still at a high level of several percent. Leading research firms and banks forecast a continuation of the decline in inflation dynamics in the second half of 2023. The National Bank of Poland forecasts average annual consumer inflation in 2023 at 11.9 per cent. In the second quarter of 2023, consumer goods and services inflation reached 13.1% y/y. Food and non-alcoholic beverages inflation reached 18.8% and alcohol and tobacco price increases reached in the second quarter of 2023. 12,4%. In parallel, we are seeing a decline in retail sales growth and a consumer 'trading down' trend. It is also possible that there will be increased cost pressures for the Company, including through wage increases. In 2023, there was a double increase in the minimum salary - in January to PLN 3490 gross and in June to PLN 3600 gross (19.6% year-on-year). As the Group makes sales in Poland, its competitive position should not be affected by this factor. As a significant part of the costs of sales are logistics costs, which depend strictly on fuel and electricity prices, their significant changes may affect the Group's results. A dynamic increase in energy prices also affects the operating costs of retail outlets or distribution centres.

COVID-19

The impact of the COVID-19 pandemic is continuously analysed by Eurocash Group and the company's Management Board monitors the current situation. All solutions implemented are in line with the recommendations of the Chief Sanitary Inspector, Ministry of Health. On the basis of the analysis, the Group's Management Board has not identified any significant uncertainty regarding the possibility of the Parent Company and its subsidiaries' future operations.

War in Ukraine

Armed operations conducted in Ukraine by the Russian army have significantly affected many areas of the Group's activities, such as disruptions to supply chains and the resulting shortages of raw materials at producers or migratory movements within Poland.

The Group analyses the situation on an ongoing basis through the activities of the crisis management team, taking measures to minimise the impact on the Group's activities in terms of the occurrence of threats to its business or the achievement of its objectives.

In addition, Eurocash Group became actively involved in helping Ukraine by organising many collections of basic necessities and actions to support employees from across our eastern border. Among other things, the Group implemented a programme of support for Ukrainian employees, in cooperation with Temporary Employment Agencies.

Growth of the FMCG market and changes in the market structure

In the first six months of 2023, an important form of retail distribution of products in the grocery market was the small-format channel, with a share of around 33.2%[1] . Such a high share - compared to neighbouring countries - is the result of a low concentration of population within the country, as well as residential conditions resulting in more frequent shopping. Such a situation is advantageous for Eurocash Group, for which small and medium-sized shops located outside large agglomerations are the most important group of customers. At the same time, we are seeing growth in the large-format channel, primarily through the expansion of discount stores, responsible for 44.2%[2] of sales in Poland in the first six months of 2023. Both of these channels are beneficiaries of the growth of the grocery market in Poland.
The Group expects a further increase in the market share of the large-format distribution channels, but the adverse impact of this on the Group's revenues will be offset by an increase in the value of the FMCG market and consolidation in the wholesale and retail markets.

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 risk and unnecessary losses. The Group aims to maintain a balance between continuity, flexibility and cost-effectiveness of funding, through the use of a variety of sources, such as bank loans (including overdrafts), borrowings, bond issues, leasing arrangements or reverse factoring. As part of its liquidity management, the Group makes use of reverse factoring agreements in respect of its liabilities, under which it factoring 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 Group's liquidity management focuses on Retailed analysis, planning and taking appropriate action.

Internal factors

Integration of the Wholesale

As part of its strategy, Eurocash Group plans to focus on its wholesale business. It plans to achieve cost and revenue synergies resulting from the deepening integration of various wholesale formats. This requires IT and reorganisation projects, e.g. in the areas of logistics, sales service, administration. Estimates of potential synergies and their effective implementation are subject to risk.

Investment in strategic development projects

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[1] *Source: Retail Trade Panel, value sales, period: January-June 2023, Nielsen food categories*
[2] *Ibid.*

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.

Creation of a Tax Capital Group

On 30.12.2022, a decision on the registration of the Tax Capital Group Agreement (PGK) was issued, 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 its subsequent extension. The Company assumes that the implementation of the project to establish PGK will result in the facilitation of tax settlements and the reduction of tax liabilities of Eurocash Group companies.

Suppliers

Due to the range of products offered by the Eurocash Group and the geographically diversified sales, the Group's sum of suppliers is very large and included 1131 domestic and foreign entities in the second quarter of 2023. Suppliers of branded products, which include leading manufacturers and importers of FMCG products, are selected primarily on the basis of their market shares, the importance of the brand and the coverage of individual product segments and regional diversification. Due to the specific nature of the market for FMCG products and its competitiveness, the Group's business is not dependent on individual suppliers, and therefore the risk that the termination or unfavourable changes to the terms of supply contracts could adversely affect the Eurocash Group's business and financial results is limited.

Apart from 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 six months.

Risk management system

Eurocash Group maintains a risk management system that covers all aspects of the activities of its member entities. This system focuses on both internal and external areas taking into account, among other things, the impact of the Group's activities in relation to social, labour, environmental, respect for human rights and anti-corruption issues.

The Group's risk management is based on a number of internal procedures and policies, as well as internal control tasks that complement them and are performed systematically by dedicated resources. In addition, the Eurocash Group has an Internal Audit function which, through its tasks, plays an assurance and consultative role on the quality and effectiveness of the above-mentioned controls.

The following are the key elements of the system for managing risks associated with the wider social and environmental environment.

Table 21: Risk management system

RISK AREA	EXAMPLE OF RISK	RISK MONITORING AND RISK MITIGATION ACTIONS
COMPLIANCE and ETHICS	○ risk of mobbing and discrimination ○ risk of conflict of interest ○ risk of corruption ○ risk of money laundering and terrorist financing ○ risk of abuse ○ risk of dealing with unreliable and dishonest counterparties	○ Implementation of an anti-bullying and anti-discrimination policy ○ Implementation of a conflict of interest management process ○ Implementation of the Anti-Corruption Policy ○ Implementation of anti-money laundering and counter-terrorist financing procedures ○ Implementation of an infringement notification procedure ○ Implementation of a supplier verification procedure ○ Implementation of a compliance education and awareness programme
LEGAL RISKS	○ risk of violation of consumer rights ○ risk of infringement of competition law ○ risk of violation of price marking regulations ○ risk of breaches of payment congestion regulations ○ risk of violation of data protection legislation ○ risk of violation of business secrets and confidential data ○ risk of violation of the provisions of the Commercial Companies Code and the provisions on public	○ Policies and procedures for monitoring compliance with consumer rights and competition law (antitrust) as well as price regulations ○ Training and legal awareness of employees especially on antitrust law and price marking (Omnibus Directive) ○ Implementing an effective compliance system to monitor key risks on an ongoing basis, monitor changes in the law, implement changes to internal regulations in line with changing legislation ○ Implementing a system of periodic KRIs (key risk indicators) on selected risk areas to identify and monitor violations of implemented policies and processes ○ Implementing a unified system for developing and publishing marketing content

	companies ○ risk of violation of regulated advertising and intellectual property laws ○ risk of violation of the Act on Upbringing in Sobriety and Counteracting Alcoholism ○ risk of changes to regulations concerning the circular economy	○ Continuous monitoring and verification of the possession of valid alcohol licences, including with the recipients to whom such goods are sold for resale and the rules on the promotion or advertising of alcohol products ○ Active monitoring of changing external regulations by an established project group to assess and develop solutions to counteract the negative effects of change
EMPLOYEE RIGHTS	○ risk of violation of labour legislation ○ risk of turnover ○ risk of losing key staff ○ risk of accidents at work ○ risk of occupational diseases	○ Procedures and instructions governing the workplace, including work regulations, pay and bonus regulations for employees ○ Personnel policies, benefits system, training, commitment survey ○ Talent identification and management process in place; Dedicated solutions implemented to retain key employees ○ Implementation of internal health and safety procedures and instructions ○ Systematic checks on compliance with health and safety procedures and instructions
TAXES	○ risks associated with the correct accounting for taxes ○ risks associated with the proper implementation of reporting obligations under tax legislation ○ risks associated with the use of intra-group market prices	○ Continuation of implementation of procedures and instructions to reduce risks. Introduce monitoring tools and staff training.
FOOD QUALITY AND SAFETY	○ risk of placing food on the market that does not comply with food safety and/or quality standards ○ risk of adulteration or contamination of the product	○ HACCP food safety programme in place ○ BRC GS S&D, ISO 22000 certifications and audits of these by bodies external to the EC Group ○ GDCs (General Terms and Conditions of Supply of Products) governing cooperation

		with suppliers on food quality and transportation
ENVIRONMENT	○ risk of environmental pollution ○ risk of uncontrolled energy consumption in buildings and the transport fleet ○ risk of creating significant amounts of waste, including hazardous waste ○ risk of missing or inappropriate separation of waste, including recyclables **climate risks:** ○ risk of increased energy consumption in the wholesale distribution, retail and wholesale sales process due to increased temperatures ○ risk of increased pressure from consumers to provide information on both the origin of particular products and the associated environmental, climate or biodiversity impacts ○ risk of an increase in the cost of capital and the risk of higher borrowing costs if Eurocash S.A.'s ESG rating is insufficiently assessed by financial entities ○ risk of material damage and/or disruption of logistical processes due to sudden weather events	○ Energy efficiency audits ○ Regular inspection and servicing of plant, equipment ○ Continuous optimisation of logistics loss management ○ Cooperation with food donation NGOs ○ Implementation of segregation and management of secondary raw materials ○ Use of low-carbon energy solutions (e.g. PPAs) with the implementation of pro-efficiency investments in operational facilities ○ Implementing products with a lower or neutral environmental impact and seek out suppliers with sustainable practices and increase the proportion of plant-based products on offer ○ Implementing decarbonisation strategy and set reduction targets. Involve key Eurocash suppliers in the process of building a decarbonisation policy to reduce emissions in Scope 3 ○ Improving climate risk management; developing e-commerce

6. Additional information

Dividend information

Pursuant to Resolution No. 5 of 19th of June 2023, the Annual General Meeting of EUROCASH S.A. resolved to pay a dividend of PLN 50,000,000 (PLN 0.36 per share) from the Company's profit and to allocate the remaining profit earned by Eurocash S.A. in 2022 in the amount of PLN 121,228,360 to the Company's reserve capital.

Explanation of seasonality

In the FMCG wholesale distribution business, sales are traditionally lower in the first half of the year. The highest sales are realised during the summer, then stabilise in the fourth quarter.

Issue, redemption and repayment of debt and equity securities

No shares or bonds were issued between 1st of January 2023 and 30th of June 2023.
As at 30th of June 2023. the total value of the bonds issued by Eurocash amounted to PLN 125,000,000.

Financing of operations in subsequent periods

On 7th of July 2023, the Group concluded agreements with a consortium of 8 banks for a total amount of PLN 1.001 billion. The concluded agreements concern a 5-year term loan of PLN 456 million, a 3-year revolving loan of PLN 445 million (with the option to extend it twice by 1 year) and a 3-year overdraft facility of up to PLN 100 million (with the option to extend it twice by 1 year). In addition to the aforementioned agreements, Group companies also continue to have separate bilateral agreements in place. In the Management Board's opinion, the combination of business financing instruments including the above-mentioned loans as well as factoring products meets the needs of companies operating in the FMCG industry.

Effects of changes in Eurocash Group structure

Members of the Management Board

There were no significant changes in the structure of the Eurocash Group in the first half of 2023.

Meanwhile, on 28th of June 2023. Eurocash's Supervisory Board adopted a resolution to appoint Mr. Szymon Mitoraj as a Member of the Company's Management Board with effect from 01 October 2023. This event was described on 28th of June in Current Report No. 13/2023.

Changes in the capital structure of Eurocash Group

On 1st of August this year, a resolution was passed by the Management Board to open the liquidation of ABC Sp. z o.o.
ABC sp. z o.o. is a non-operational company, which has never conducted any activity.
This action results from a planned process of integration of operations of franchise and partner networks organised by Eurocash Group and concentration of management of development of these networks in one company - i.e. Eurocash Sieci Partnerskie Sp. z o.o. within which abc, Groszek and Euro Sklep networks are organised. The liquidation of ABC Sp. z o.o. does not affect the current operations of the Group, including the abc chain shops.

In addition, there are other non-operational companies in the process of liquidation - EKO Holding S.A., Przedsiębiorstwo Handlu Spożywczego sp. z o.o., Delikatesy Rogala Obszar II sp. z o.o., Delikatesy Rogala Obszar III sp. z o.o., Delikatesy Rogala Obszar IV sp. z o.o., Delikatesy Rogala Obszar V sp. z o.o.

In addition, a merger process is underway between Firma Rogala sp. z o.o. and Delikatesy Rogala Obszar I sp. z o.o. through the acquisition of Delikatesy Rogala Obszar I sp. z o.o.

Management's position on the feasibility of meeting previously published profit forecasts for the year.

The Management Board of Eurocash S.A. has not published and does not plan to publish forecasts of results for 2023.

Shares and shareholders

Table 22: Shareholders holding, directly or indirectly through subsidiaries, at least 5% of the total number of votes at the general meeting

	28.08.2023				12.05.2023			
Shareholder	Number of shares	Share in the share capital (%)	Number of votes	Share in the total number of votes	Number of shares	Share in the share capital (%)	Number of votes	Share in the total number of votes
Luis Amaral (directly and indirectly*)	61 287 778	44,04%	61 287 778	44,04%	61 287 778	44,04%	61 287 778	44,04%
Generali PTE S.A.**	7 905 306	5,68%	7 905 306	5,68%	7 269 397	5,22%	7 269 397	5,22%
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%
Others	62 859 695	45,17%	77 875 508	45,17%	63 495 604	45,63%	63 495 604	45,63%
Total	**139 163 286**	**100,00%**	**139 163 286**	**100,00%**	**139 163 286**	**100,00%**	**139 163 286**	**100,00%**

*by Politra B.V. S.à.r.l. and Westerngate Private Investments Ltd.

**Data based on a notification dated 15th of July 2023 received from Generali Powszechne Towarzystwo Emerytalne S.A. managing Generali Otwarty Fundusz Emerytalny

On 25th of July 2023. Eurocash Group S.A. received a notification from Generali Powszechne Towarzystwo Emerytalne S.A. with the information that in connection with the takeover on 01.02.2023 of the management of NNLife Otwarty Fundusz Emerytalny (NNLife OFE) and NNLife Dobrowolny Fundusz Emerytalny (NNLife DFE) by Generali Powszechne Towarzystwo Emerytalne S.A. (Generali PTE) and as a result of the completion of the liquidation of NNLife OFE on 21st of July 2023, in the accounts of Generali PTE, the share in the share capital and the total number of votes of Eurocash S.A. increased above 5%, as reported by the Company in current report 14/2023.

Table 23: Number of shares (or entitlements to shares) held by the Management Board and Supervisory Board

	Shares or rights to shares in Eurocash S.A.	
	28.08.2023	12.05.2023
Management Board		
Paweł Surówka	0	0
Katarzyna Kopaczewska	330 000	330 000
Arnaldo Guerreiro	325 500	325 500
Pedro Martinho	1 055 803	1 055 803
Jacek Owczarek*	73 694	73 694
Tomasz Polański	49 743	49 743

Dariusz Stolarczyk	17 176	17 176
Przemyslaw Cias	9 850	9 850
Supervisory Board		
Luis Amaral (directly or indirectly)	61 287 778	61 287 778
Hans-Joachim Körber	0	0
Jorge Mora	121 500	121 500
Francisco José Valente Hipólito dos Santos	0	0
Przemysław Budkowski	0	0

*indirectly through persons closely associated

Information on pending proceedings.

On 2nd of October 2020, the Company received the Decision of the President of the Office of Competition and Consumer Protection (UOKiK), dated 28th of September 2020, to initiate ex officio proceedings against Eurocash S.A. for practices unfairly exploiting contractual advantage. In initiating the proceedings, the President of the Office for Competition and Consumer Protection considered it necessary to verify whether certain practices applied by Eurocash S.A. could be classified as exploitation of contractual advantage. In the decision to initiate proceedings, the President of UOKiK pointed to two forms of settlements between Eurocash S.A. and its suppliers that he had doubts about - i.e. charging remuneration for (i) general network services / sales support services, and (ii) market expansion services. As part of the ongoing proceedings, in response to the OCCP's summons, the Company communicated that since 2017 it has not charged any remuneration for market expansion services, while in the period 01.01.2019. - 31.10.2020, it charged suppliers a total of approximately PLN 19 million for the provision of network-wide/sales support services. On 30 November 2021. The President of the Office of Competition and Consumer Protection issued a decision in which he found that the Company had committed the practice of unfair exploitation of contractual advantage by charging suppliers of agri-food products for services which are not performed for them or which are performed but about which the suppliers are not informed, including their costs and results, and imposed a fine of PLN 76,019,901.23 on the Company. The Company does not agree with the position of the President of the OCCP and therefore appealed against the decision of the President of the OCCP to the Court of Competition and Consumer Protection on 30th of December 2021. We would like to point out that the obligation to pay a potential fine imposed by the President of UOKiK arises only after the decision becomes final - i.e. after the verdict is issued by the Court of Second Instance (Court of Appeal). In the current conditions, the duration of the proceedings from the moment the decision is issued to the moment the Court of Appeal issues a final judgment is approximately 4-5 years. The Company cooperates with the Office on an ongoing basis, providing timely responses to a number of other

enquiries addressed by the President of the Office of Competition and Consumer Protection to the Company as part of its investigations and research of the FMCG market

Corporate tax proceedings are included in note 6 of the consolidated financial statements.

Review of strategic options:

The Company reported in current reports dated 2nd of April 2021 (current report no. 07/2021) and 1st of February 2022 (current report no. 03/2022) that it was conducting a review process of the Eurocash Group's strategic options.
The process of reviewing potential strategic options for the development of the Eurocash Group began with a decision of the Management Board on 28th of January 2021, as a consequence of which the Management Board entered into an agreement with a strategic advisor and subsequently engaged/agreed with financial and commercial advisors to assist the Company in identifying and potentially selecting optimal strategic options. At the end of September 2021 (Current Report No. 03/2022), the Management Board decided to enter into negotiations with selected potential investors who had made initial non-binding offers to enter the Company's capital or to acquire a selected segment of its business in connection with the Eurocash Group development options under consideration; in order to continue the discussions, the Company decided to provide the bidders and their professional advisors with the opportunity to examine the financial and legal status of the Eurocash Group or its selected segments.
According to current report 18/2022, the strategic options review process is ongoing. It aims to select the best way to achieve the Company's long-term objective of growing the Group and maximising its value for the Company's current and future shareholders.
According to the Company's announcements, during the review the Company is analysing scenarios, inter alia, related to the potential acquisition of new investors for the Company or for its selected business segments or its subsidiaries; as well as the potential reorganisation 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.

Eurocash Group strategy

On 29th of August 2022, the company published Current Report No. 18/2022 describing the adopted Strategy for the Eurocash Group for 2023-2025.

In line with the Strategy, Eurocash Group's activities in 2023-2025 will focus on the further development of the Group's core business, i.e. the following areas:
- in the area of Wholesale: the objective of Eurocash Group 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, as a consequence, improving the shopping environment and doubling

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;
- in the Franchise area (organiser of franchise and partner networks): focus on investments in the development and positioning of franchise and partner networks, increasing the number of networked shops and market share; further development of Delikatesy Centrum based on the franchise system, including with JV 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 commerce, the growth of Frisco's share in B2C ecommerce and the achievement of Frisco's 1 billion revenue by the end of 2025
- Responsible development activities are also an important element of the Strategy.

Faced with the decision to focus on its core business (wholesale, franchise and technology platform), the Company's Management Board decided to focus on improving the profitability of the non-core/non-strategic business (which includes Delikatesy Centrum's own shop segment), reducing or ceasing its development.

As a result of the implementation of the Strategy, Eurocash Group plans to achieve an EBITDA result of PLN 1 billion (before IFRS 16) in 2025. The Management Board estimates that in 2023-2025 the cumulative increase in cost efficiency will amount to PLN 100m EBITDA. 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 will be a party.

Information about the issuer or its subsidiary granting credit or loan sureties or guarantees.

In H1 2023, the Eurocash Group companies did not provide any loan or credit guarantees and did not provide any guarantees whose total value is significant.

Information about related party transactions entered into by the issuer or its subsidiary

In H1 2023, Eurocash Group companies did not enter into transactions with related parties that were individually or jointly material and were concluded on terms other than at arm's length.

Other information relevant to the assessment of the issuer's position or its ability to fulfil its obligations

Apart from the information described in this report, there is no other information that is relevant for the assessment of the Company's human resources, assets, financial position or result.

ABOUT MANAGEMENT PROVISION

Accuracy and reliability of the reports presented

The members of the Management Board of Eurocash S.A. declare that, to the best of their knowledge:

- the semi-annual condensed consolidated financial statements of the Eurocash S.A. Group and the comparative data have been prepared in accordance with the applicable accounting principles and that they give a true, fair and clear view of the assets and financial position of the issuer's group and its financial result for H1 2023,

- the semi-annual condensed separate financial statements of Eurocash S.A. and the comparative data have been prepared in accordance with the applicable accounting principles and that they give a true, fair and clear view of the issuer's assets, financial position and financial result for H1 2023,

- the semi-annual report on the operations of the Eurocash S.A. capital group in H1 2023 gives a true picture of the development, achievements and situation of the Eurocash S.A. capital group, including a description of the main threats and risks.

SIGNATURES OF BOARD MEMBERS

Position	Name	Date	Signature
President of the Management Board	Paweł Surówka	28 August 2023	
Member of the Management Board Director of Human Resources	Katarzyna Kopaczewska	28 August 2023	
Member of the Management Board	Pedro Martinho	28 August 2023	
Member of the Management Board	Arnaldo Guerreiro	28 August 2023	
Member of the Management Board	Przemysław Cias	28 August 2023	
Member of the Management Board Chief Financial Officer	Jacek Owczarek	28 August 2023	
Member of the Management Board	Tomasz Polański	28 August 2023	
Member of the Management Board	Dariusz Stolarczyk	28 August 2023	