EUROCASH S.A. GROUP

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD FROM 1 JANUARY 2025 TO 31 DECEMBER 2025

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.

KOMORNIKI, 29th April 2026

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1. GENERAL INFORMATION

1.1. INFORMATION ABOUT THE PARENT ENTITY

1.1.1. NAME

EUROCASH Spółka Akcyjna („Entity", „Parent Entity")

There were no changes in the Group related to the name of the reporting unit and other identification data.

1.1.2. ADDRESS

ul. Wiśniowa 11, 62-052 Komorniki, Poland

1.1.3. REGISTERED OFFICE

ul. Wiśniowa 11, 62-052 Komorniki

1.1.4. CORE BUSINESS

Non-specialized wholesale trade (PKD 4690Z)

1.1.5. TERRITORY OF ACTIVITY

Poland

1.1.6. REGISTRATION COURT

District Court Poznań - Nowe Miasto and Wilda in Poznań, VIII Commercial Department of the National Court Register, KRS 0000213765, Poland

1.1.7. PERIOD FOR WHICH THE GROUP WAS ESTABLISHED

The duration of the parent company and entities comprising the Capital Group is indefinite.

1.1.8. PERIOD COVERED BY THE FINANCIAL STATEMENTS

The reporting period started 1 January 2025 and ended 31 December 2025 and comparative period is the period from 1 January 2024 to 31 December 2024.

Consolidated statement of financial position has been prepared as at 31 December 2025, and the comparative figures are presented as at 31 December 2024.

The Company prepared the consolidated financial statements for the year ended 31 December 2025, which included the amendment to be published on 28 April 2026.

1.2. BOARD OF THE PARENT ENTITY

1.2.1. MANAGEMENT BOARD OF THE PARENT ENTITY

As at 31 December 2025 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,

Piotr Nowjalis – Member of the Management Board,

Marcin Celejowski – Member of the Management Board,

Tomasz Polański – Member of the Management Board,

Paweł Trocki – Member of the Management Board.

1.2.2. SUPERVISORY BOARDS

As at 31 December 2025 the Eurocash S.A. Supervisory Board consisted of the following members:

Luis Manuel Conceicao do Amaral – President of the Supervisory Board,

Jorge Mora – Member of the Supervisory Board,

Przemysław Budkowski – Member of the Supervisory Board,

Rita Acciaioli Mendes Pais do Amaral – Member of the Supervisory Board,

Iwona Sroka – Member of the Supervisory Board.

1.2.3. CHANGES IN THE MANAGEMENT AND SUPERVISORY BOARD

By declaration dated 26.03.2025, Mr. Francisco José Valente Hipólito dos Santos resigned from the Supervisory Board of the Company with effect from 14.05.2025 (end of day).

In connection with the above resignation, Politra B.V. S.a r.l. (as the legal successor of Politra B.V.), which holds 43.55% of the shares in the share capital of the Company, informed the Company that, exercising the right granted to it in § 13 section 2 of the Company's Articles of Association, it appoints Ms. Rita Acciaioli Mendes Pais do Amaral to serve as Member of the Supervisory Board of the Company as at 15.05.2025.

By declaration dated 01.04.2025, Mr. Dr. Hans Joachim Körber resigned from the Supervisory Board of the Company with effect from 15.05.2025.

In connection with the above resignation, on 15 May 2025, the Annual General Meeting of the Company appointed a new Member of the Company's Supervisory Board – Ms. Dr. Iwona Sroka.

On 10 June 2025, the Management Board received a statement from Mr. Dariusz Stolarczyk, Member of the Company's Management Board, of his resignation from the Company's Management Board, effective 30 June 2025 (at the end of the day).

On 27 June 2025, the Management Board received a statement from Mr. Szymon Mitoraj, Member of the Management Board, of his resignation from the Company's Management Board, effective August 31, 2025 (at the end of the day).

On 22 July 2025, the Supervisory Board of Eurocash S.A. adopted a resolution to appoint Mr. Paweł Trocki to the Company's Management Board as a Member of the Management Board, effective from 1 September 2025. Mr. Paweł Trocki will assume the position of Member of the Management Board responsible for digitalization in the Eurocash Group.

CONSOLIDATED INCOME STATEMENT FOR THE PERIOD FROM 01.01 TO 31.12.2025

	Note	**for the period** from 01.01.2025 to 31.12.2025	**for the period** from 01.01.2024 to 31.12.2024 *restated**
Sales		**30 023 909 680**	**31 467 951 738**
Sales of goods	25	29 942 448 441	31 390 066 264
Sales of services	25	80 851 843	76 943 971
Sales of materials	25	609 396	941 503
Costs of sales		**(26 026 761 268)**	**(27 309 122 701)**
Costs of goods sold		(26 026 423 095)	(27 308 578 820)
Costs of materials sold		(338 173)	(543 881)
Gross profit (loss)		**3 997 148 412**	**4 158 829 037**
Selling expenses	26	(3 284 243 007)	(3 410 393 764)
General and administrative expenses	26	(513 544 521)	(513 033 968)
Profit (loss) on sales		**199 360 884**	**235 401 305**
Other operating income	27	70 681 601	83 968 713
Other operating expenses	27	(313 408 102)	(20 365 289)
Operating profit (loss)		**(43 365 617)**	**299 004 729**
Financial income	28	55 972 274	67 562 389
Financial costs	28	(309 184 373)	(315 788 128)
Share in profits (losses) of equity accounted investees		483 235	1 118 072
Profit (loss) before tax		**(296 094 481)**	**51 897 062**
Income tax expense	23	3 015 628	(31 974 861)
Profit (loss) for the period on continued operations		**(293 078 853)**	**19 922 201**
Discontinued operations			
Net profit (loss) on discontinued operations		(18 621 421)	(16 080 973)
Profit (loss) for the period		**(311 700 274)**	**3 841 228**
Attributable to:			
Owners of the Company		(336 087 985)	(26 875 158)
Non-controlling interests		24 387 711	30 716 386
EARNINGS PER SHARE			
		PLN / share	PLN / share
Profit (loss) attributable to Owners of the Company		(336 087 985)	(26 875 158)
Weighted average number of shares	29	139 163 286	139 163 286
Weighted average diluted number of shares	29	136 172 461	139 163 286
Basic earnings loss per share		(2,42)	(0,19)
Diluted earnings loss per share		(2,47)	(0,19)

** note 1*

Consolidated financial statements for the period from 01.01 to 31.12.2025 – all amounts are expressed in Polish zloty (unless indicated otherwise) 6

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD FROM 01.01 TO 31.12.2025

	for the period from 01.01.2025 to 31.12.2025	for the period from 01.01.2024 to 31.12.2024 *restated**
EARNINGS PER SHARE		
Profit (loss) for the periodon continued operations	(293 078 853)	19 922 201
Net profit (loss) on discontinued operations	(18 621 421)	(16 080 973)
Profit (loss) for the period	**(311 700 274)**	**3 841 228**
Other comprehensive income for the period	(1 316 886)	4 526 178
Items that may be subsequently reclassified to profit or loss:	**(1 316 886)**	**4 526 178**
- The result on hedge accounting with the tax effect:	(1 316 886)	4 526 178
Total comprehensive income for the period	**(313 017 160)**	**8 367 406**
Total Income		
Owners of the Company	(337 404 871)	(22 348 980)
Non-controlling interests	24 387 711	30 716 386
Total comprehensive income for the period	**(313 017 160)**	**8 367 406**

** note1*

Consolidated financial statements for the period from 01.01 to 31.12.2025 – all amounts are expressed in Polish zloty (unless indicated otherwise) 7

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31.12.2025

Assets	*Note*	as at 31.12.2025	as at 31.12.2024
Non-current assets		**4 531 962 698**	**4 989 001 455**
Goodwill	3	2 091 231 277	2 091 231 277
Intangible assets	3	263 240 892	276 278 124
Property, plant and equipment	4	551 698 459	580 225 295
Right of use assets	5	1 503 357 604	1 928 348 419
Investment property	7	11 142	11 142
Investments in equity accounted investees	8	15 264 408	14 781 175
Other long-term investments	9	452 809	1 049 868
Long-term receivables	10	20 006 225	16 731 144
Deferred tax assets	24	78 795 288	66 847 698
Other long-term prepayments	11	7 904 594	13 497 313
Current assets		**3 628 142 081**	**4 170 384 521**
Inventories	12	1 668 845 048	1 996 688 680
Trade receivables	13	1 135 728 067	1 199 554 654
Current tax receivables	13	4 299 058	926 284
Other short-term receivables	13	196 603 675	207 151 266
Other short-term financial assets	14	9 517 259	35 813 376
Short-term prepayments	15	46 494 830	49 063 007
Cash and cash equivalents	16	355 288 492	403 379 606
Assets classified as held for sale	1	211 365 652	277 807 648
Total assets		**8 160 104 779**	**9 159 385 976**

Consolidated financial statements for the period from 01.01 to 31.12.2025 – all amounts are expressed in Polish zloty (unless indicated otherwise) 8

Equity and liabilities	*Note*	as at 31.12.2025	as at 31.12.2024
			0
Equity		**490 681 189,0**	**862 467 900,0**
Equity attributable to Owners of the Company		**376 663 046,0**	**737 368 766,0**
Share capital	17	139 163 286,0	139 163 286,0
Reserve capital		588 740 652,0	581 032 164,0
Valuation equity of hedging transactions		(5 047 311,0)	(3 730 425,0)
Option for purchase/selling the shares		(15 575 279,0)	(44 046 628,0)
Retained earnings		(330 618 302,0)	64 950 369,0
Accumulated profit / loss from previous years		5 469 683,0	91 825 527,0
Profit (loss) for the period		(336 087 985,0)	(26 875 158,0)
Non-controlling interests		114 018 143,0	125 099 134,0
Liabilities		**7 669 423 590,0**	**8 296 918 076,0**
Non-current liabilities		**1 488 595 235,0**	**2 046 393 633,0**
Long-term loans and borrowings	20	136 800 000,0	400 368 000,0
Long-term lease liabilities	22	1 308 510 802,0	1 632 648 591,0
Other long-term liabilities	19	6 139 588,0	4 169 836,0
Employee benefits	18	11 093 873,0	8 918 063,0
Provisions	18	26 050 972,0	289 143,0
Current liabilities		**6 180 828 355,0**	**6 250 524 443,0**
Loans and borrowings	20	418 464 808,0	122 975 350,0
Other short-term financial liabilities	21	23 240 983,0	131 233 042,0
Short-term lease liabilities	22	406 568 238,0	452 457 717,0
Trade payables	19	4 562 269 875,0	4 840 205 063,0
Current tax liabilities	19	6 819 842,0	25 678 067,0
Other short-term payables	19	154 399 096,0	176 423 603,0
Current employee benefits	18	118 561 718,0	149 683 635,0
Provisions	18	392 500 811,0	233 338 883,0
Liabilities directly connected with assets held for sale	1	98 002 984,0	118 529 083,0
Total equity and liabilities		**8 160 104 779,0**	**9 159 385 976,0**

Consolidated financial statements for the period from 01.01 to 31.12.2025 – all amounts are expressed in Polish zloty (unless indicated otherwise) 9

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD FROM 01.01 TO 31.12.2025

	for the period from 01.01.2025 to 31.12.2025	for the period from 01.01.2024 to 31.12.2024
Cash flow from operating activities		*restated**
Profit (loss) before tax	**(296 094 481)**	**51 897 062**
Adjustments for:	**901 919 931**	**878 607 858**
Depreciation and amortization	585 225 278	605 242 108
Share in profits (losses) of equity accounted investees	(483 234)	(1 118 072)
Valuation of motivational programm	7 708 488	0
Gain (loss) on sale of property, plant and equipment	37 189 132	(5 645 082)
Profit (loss) on exchange rates	(3 014 913)	(5 120 722)
Dividends received	(568 626)	(413 963)
Interest expenses	288 631 622	294 656 331
Interest received	(12 767 816)	(8 992 742)
Operating cash before changes in working capital	**605 825 450**	**930 504 920**
Changes in inventory	327 843 631	(43 322 558)
Changes in receivables	57 135 451	166 378 042
Changes in payables	(240 629 730)	180 129 007
Changes in provisions and employee benefits	179 596 575	(87 246 673)
Other adjustments	1 379 822	50 012
Operating cash	**931 151 199**	**1 146 492 750**
Interest received	7 859 514	6 802 060
Interest paid	(129 359 501)	(127 298 950)
Income tax paid	(20 177 754)	(34 794 507)
Net cash from operating activities	**789 473 458**	**991 201 353**
Cash flow from investing activities		
Aquisition of intangible assets	(40 984 641)	(48 482 171)
Proceeds from sale of intangible assets, property, plant and equipment	330 862	196 851
Aquisition of property, plant and equipment tangible fixed assets	(126 696 159)	(137 232 215)
Proceeds from sale of property, plant and equipment	24 712 196	20 900 222
Income/expenses from sale of investment property	0	770 000
Expenditures on the acquisition of companies and organized part of	(52 292 549)	0
Dividends received	568 626	413 962
Loans granted	0	(25 000 000)
Repayment received of given loans	25 000 000	0
Interest received	5 288 050	3 026 401
Net cash used in investing activities	**(164 073 615)**	**(185 406 950)**
Cash flow from financing activities		
Income/expenses for other financial liabilities	(2 314 254)	(4 853 869)
Issue of financial debt securities	(125 000 000)	0

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Proceeds from loans and borrowings	145 000 000	183 172 693
Repayment of borrowings	(113 078 542)	(111 748 382)
Expenses for liabilities from leasing	(389 151 815)	(394 660 166)
Interest on finance lease	(90 306 140)	(91 099 971)
Other interests	(12 567 713)	(16 770 888)
Interests on loans and borrowings	(56 682 936)	(52 530 073)
Dividends paid	(29 389 557)	(125 595 549)
Net cash used in financing activities	**(673 490 957)**	**(614 086 205)**
Net change in cash and cash equivalents	**(48 091 114)**	**191 708 198**
Cash and cash equivalents at the beginning of the period	403 379 606	211 671 409
Cash and cash equivalents at the end of the period	**355 288 492**	**403 379 606**

** note1*

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CONSOLIDATED STATEMENT ON CHANGES IN EQUITY FOR THE PERIOD FROM 01.01 TO 31.12.2025

Changes in equity in 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
Balance as at 01.01.2024 after changes	139 163 286,0	592 594 902,0	(104 480 658,0)	(8 256 603,0)	180 661 784,0	799 682 711,0	119 780 731,0	919 463 442,0
Owners of the Company	0	0	0	0	(26 875 158,0)	(26 875 158,0)	0	(26 875 158,0)
Non-controlling interests	0	0	0	0	0	0	30 716 386,0	30 716 386,0
Profit/Loss	0	0	0	0	(26 875 158,0)	(26 875 158,0)	30 716 386,0	3 841 228,0
Other comprehensive income	0	0	0	4 526 178,0	0	4 526 178,0	0	4 526 178,0
Total comprehensive income for the period from 01.01. to 31.12.2024	0	0	0	4 526 178,0	(26 875 158,0)	(22 348 980,0)	30 716 386,0	8 367 406,0
Dividends paid	0	0	0	0	(100 197 566,0)	(100 197 566,0)	(25 397 983,0)	(125 595 549,0)
Valuation of motivational program for employees*	0	(11 562 738,0)	0	0	11 562 738,0	0	0	0
Purchase of minority shares	0	0	0	0	0	0	0	0
Option for purchase/selling the shares	0	0	60 434 030,0	0	0	60 434 030,0	0	60 434 030,0
Other	0	0	0	0	(201 429,0)	(201 429,0)	0	(201 429,0)
Total contributions by and distributions to Owners of the Company	0	(11 562 738,0)	60 434 030,0	0	(88 836 257,0)	(39 964 965,0)	(25 397 983,0)	(65 362 948,0)
Changes in equity	0	(11 562 738,0)	60 434 030,0	4 526 178,0	(115 711 415,0)	(62 313 945,0)	5 318 403,0	(56 995 542,0)
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	125 099 134,0	862 467 900,0

Consolidated financial statements for the period from 01.01 to 31.12.2025 – all amounts are expressed in Polish zloty (unless indicated otherwise)

Changes in equity in the period from 01.01 to 31.12.2025	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
Balance as at 01.01.2025	139 163 286,0	581 032 164,0	(44 046 628,0)	(3 730 425,0)	64 950 369,0	737 368 766,0	125 099 134,0	862 467 900,0
Owners of the Company	0	0	0	0	(336 087 985,0)	(336 087 985,0)	0	(336 087 985,0)
Non-controlling interests	0	0	0	0	0	0	24 387 711,0	24 387 711,0
Profit/Loss	0	0	0	0	(336 087 985,0)	(336 087 985,0)	24 387 711,0	(311 700 274,0)
Other comprehensive income	0	0	0	(1 316 886,0)	0	(1 316 886,0)	0	(1 316 886,0)
Total comprehensive income for the period from 01.01. to 31.12.2025	0	0	0	(1 316 886,0)	(336 087 985,0)	(337 404 871,0)	24 387 711,0	(313 017 160,0)
Dividends paid	0	0	0	0	0	0	(29 389 557,0)	(29 389 557,0)
Valuation of motivational program for employees*	0	7 708 488,0	0	0	0	7 708 488,0	0	7 708 488,0
Purchase of minority shares	0	0	28 471 349,0	0	0	28 471 349,0	0	28 471 349,0
Option for purchase/selling the shares	0	0	0	0	(50 323 730,0)	(50 323 730,0)	(1 968 820,0)	(52 292 550,0)
Other	0	0	0	0	(9 156 956,0)	(9 156 956,0)	(4 110 328,0)	(13 267 284,0)
Total contributions by and distributions to Owners of the Company	0	7 708 488,0	28 471 349,0	0	(59 480 686,0)	(23 300 849,0)	(35 468 705,0)	(58 769 554,0)
Changes in equity	0	7 708 488,0	28 471 349,0	(1 316 886,0)	(395 568 671,0)	(360 705 720,0)	(11 080 994,0)	(371 786 714,0)
Balance as at 31.12.2025	139 163 286,0	588 740 652,0	(15 575 279,0)	(5 047 311,0)	(330 618 302,0)	376 663 046,0	114 018 143,0	490 681 189,0

Consolidated financial statements for the period from 01.01 to 31.12.2025 – all amounts are expressed in Polish zloty (unless indicated otherwise)

2. SUPPLEMENTARY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS PREPARED FOR THE PERIOD FROM 01.01 TO 31.12.2025

2.1. GENERAL INFORMATION

2.1.1. ISSUE OF THE CONSOLIDATED FINANCIAL STATEMENTS

By the resolution of the Management Board of 28 April 2026, the consolidated financial statements of Eurocash S.A. ("Group", "Grupa Kapitałowa", "Eurocash Group", "Eurocash Capital Group") for the period from 1 January 2025 to 31 December 2025 has been approved for publication.

According to the information included in the report no. 4/2026 dated 23 April 2026 sent to the Polish Financial Supervision Authority, Eurocash S.A. issues its consolidated financial statements on 29 April 2026.

Eurocash S.A. is a listed company and its shares are publicly traded.

2.1.2. 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.

2.1.3. IMPACT OF NEW STANDARDS AND INTERPRETATIONS ON THE FINANCIAL STATEMENTS OF THE GROUP

The accounting policies used to prepare the separate financial statements are consistent with those used in the preparation of the Company's annual financial statements for the year ended 31 December 2024, except for the application of new or amended standards and interpretations effective for annual periods beginning on or after 1 January 2025.

The amended standards and interpretations, which are first applicable in 2025, do not have a material impact on the Company's annual financial statements.

- Amendment to IAS 21, "The Effects of Changes in Foreign Exchange Rates,"

The amendment clarifies how an entity should assess whether a currency is convertible and how it should determine the exchange rate if it is not convertible. It also requires disclosures that allow users of financial statements to understand the impact of the currency's inconvertibility.

The standard is effective for annual periods beginning on or after 1 January 2025.

- Amendments to IFRS 9 "Financial Instruments" and IFRS 7 "Financial Instruments: Disclosures"

The amendments to IFRS 9 introduce a choice of accounting principles regarding the termination of a liability when payment is 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 the cash flows arising from a contract are consistent with a basic lending arrangement. Furthermore, the amendments introduce a clearer definition of the "non-recourse" characteristic.
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 PPAs 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 or after 1 January 2026.

- Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10, IAS 7

Annual Improvements – only administrative changes.
The amendments are effective for annual periods beginning on or after 1 January 2026.

- New IFRS 18, "Presentation and Disclosure in Financial Statements"

The new standard will replace IAS 1, "Presentation of Financial Statements." IFRS 18 introduces, among other things:
a new profit and loss statement structure, enhanced data aggregation and disaggregation requirements, and requirements for disclosure of management-defined performance measures.
The amendments are effective for annual periods beginning on or after 1 January 2027.

- New IFRS 19, "Subsidiaries without Public Accountability: Disclosures"

The standard applies to subsidiaries without public accountability for which their parent prepares consolidated financial statements in accordance with IFRS. The new IFRS 19 eliminates disclosures required by other standards and replaces them with a new list.
The amendments are effective for annual periods beginning on or after 1 January 2027.

- New IAS 21 "The Effects of Changes in Foreign Exchange Rates"

The amendments to IAS 21 clarify the rules for currency translation in certain situations. When an entity translates data from the functional currency of a non-hyperinflationary economy to the presentation currency of a hyperinflationary economy, it uses the closing rate from the date of the most recent statement of financial position, including comparative data. However, if the presentation currency ceases to be the currency of a hyperinflationary economy and the functional currency remains the currency of a non-hyperinflationary economy, the entity applies the current requirements of IAS 21 prospectively, without restating the comparative data. Additionally, it is indicated that an entity whose functional and presentation currency belongs to a hyperinflationary economy applies the general price index in accordance with IAS 29 when restating the comparative data of a foreign entity operating in a non-hyperinflationary economy. The amendments also introduce additional disclosure requirements related to the above amendments.

The amendments are effective for annual periods beginning on or after 1 January 2027.

The effective dates are those resulting from the text of the standards promulgated by the International Financial Reporting Council. The application dates for the standards in the European Union may differ from the application dates resulting from the text of the standards and are announced upon endorsement by the European Union.

The Group intends to implement the provisions of the standards for the first time upon their effective date, provided they are material to the Group.

2.1.4. 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).

2.1.5. 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.

2.1.6. 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 2024, except for the application of new or amended standards and interpretations applicable to annual periods beginning on 1 January 2025 and later.

2.1.7. 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 2025

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	80%
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%

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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%

On 30 May 2025, PHS Sp. z o.o. w likwidacji was liquidated.

On 1 July 2025, Eurocash VC3 Sp. z o.o. merged with Eurocash S.A. through the acquisition of Eurocash VC3 Sp. z o.o.

On 1 July 2025, ABC na kołoch Sp. z o.o. merged with Eurocash S.A. through the acquisition of ABC na kołoch Sp. z o.o.

On 31 July 2025, EKO Holding S.A. w likwidacji was liquidated.

* As indicated above, the Group holds a 50% stake in Arhelan 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

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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.

2.1.8. GOING CONCERN ASSUMPTION

These financial statements have been prepared assuming the Group will continue as a going concern for the foreseeable future, i.e., for at least 12 months from the balance sheet date.

The Group operates in the FMCG industry, which is characterized by a surplus of current liabilities over current assets in the balance sheet structure. This is due to the fact that a significant portion of sales to retail customers are 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 financial market, such as bank loans, corporate bonds, reverse factoring, receivables factoring, and leasing.

In the period from January to December 2025, compared to the same period of the previous year, the Eurocash Group recorded a decline in sales of goods of PLN 1,447.6 billion (4.6% year-on-year) and a decline in EBITDA of PLN 362.4 million (40.1% year-on-year). In the period from January to December 2025, the Group recorded a sales profit of approximately PLN 199.4 million, down PLN 36.0 million (15.3% year-on-year) compared to the same period of the previous year.

In the period from January to December 2025, the Group generated net cash from operating activities of PLN 789.5 million, which was PLN 201.7 million less than in the same period in 2024. As of 31 December2025, the Group recorded a surplus of current liabilities over current assets of PLN 2.55 billion. The Group's net working capital (comprising inventories, trade receivables and trade payables) as at 31 December 2025 was negative and amounted to PLN 1.76 billion, compared to negative net working capital of PLN 1.64 billion in the same period in 2024. The Group's net working capital changed by approximately PLN 114 million year-on-year.

The persistent negative net working capital, typical of the FMCG industry, requires the Group's Management Board to continually ensure adequate, sufficient, effective, and optimally timed financing instruments for operating, investing, and financial activities. To ensure unwavering financial liquidity, the Group utilizes various types of financial instruments available on the market to finance working capital. A key element for the Group in securing a long-term and stable source of financing is the Senior Facilities Agreement (SFA) launched in July 2023 with a consortium of eight banks for a total amount of PLN 1.001 billion. This agreement covers a 5-year amortizing term loan with an initial value of PLN 456 million, a 3-year revolving credit facility of PLN 445 million (with an option to extend for another two years), and a 3-year overdraft facility of up to PLN 100 million (with an option to extend for another two years). The agreement also allows for an increase in the debt amount by the equivalent of PLN 199 million (under the Incremental Facility) up to a maximum total of PLN 1.2 billion, in the form of a term loan, a revolving loan, or an overdraft facility. As of 31 December 2025, the Group submitted an application to the bank consortium to extend the full availability of the PLN 445 million revolving loan and the PLN 100 million overdraft facility for another 12 months, i.e., until 16 July 2027. As of the date of publication of the financial statements for 2025, the Group had obtained the consent of all eight banks participating in the consortium to extend the above-mentioned loan in accordance with the submitted application and had commenced work on preparing an annex to the loan agreement.

In addition to the agreements mentioned above, the Group companies also have separate bilateral agreements with financing institutions. As of 31 December2025, long-term liabilities from loans and borrowings amounted to PLN 136.8 million (long-term liabilities from loans and borrowings as of 31 December 2024, amounted to PLN 400.4 million), and short-term liabilities from loans and borrowings amounted to PLN 418.5 million (short-term liabilities from loans and borrowings as of 31 December2024, amounted to PLN 123.0 million). The Group's total debt from loans and borrowings increased by PLN 31.9 million, or 6.1%, year-on-year.

The net debt-to-EBITDA ratio was 3.46 as of the balance sheet date, compared to 2.53 as of 31 December2024 (including data from Inmedio Sp. z o.o.). The financial ratio of net debt to EBITDA excluding the one-off cost of the restructuring provision amounted to 2.29 as at the balance sheet date (taking into account the data of Inmedio Sp. z o.o.).

To secure financial liquidity, in December 2020, the Group issued the first series of bonds maturing in December 2025. The bonds were repaid by the Group in full on their maturity date of 23 December 2025. On 16 January 2026, the Group published Current Report No. 1/2026 concerning the establishment of a bond issuance program up to a total nominal value of PLN 500 million (the "Program"). Under the Program, the Group will be able to issue multiple PLN bonds with maturities not exceeding 10 years.

In addition to bank loans, the Group also actively uses reverse factoring, receivables factoring, and leasing to finance its working capital. In the Management Board's opinion, the combination of financing instruments, including bank loans, 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 it to maintain financial liquidity at an expected and safe level to ensure the Group's continued operations for a period of no less than 12 months from the balance sheet date. Details regarding the limits and use of the above financial instruments in the Group in recent years are presented in the table below.

Limits (mln PLN)	**31.12.2025**	**31.12.2024**	**31.12.2023**
Bonds (program)	-	1 000	1 000
Bank credits	985	1 094	1 138
Bank guarantees	345	320	287
Receivables factoring	646	680	600
Reverse factoring	1 733	1 854	1 528

Use (mln PLN)	**31.12.2025**	**31.12.2024**	**31.12.2023**
Bonds (program)	-	125	125
Bank credits	545	512	442
Bank guarantees	276	263	221
Receivables factoring	472	499	352
Reverse factoring	1 568	1 716	1 405

% Use	**31.12.2025**	**31.12.2024**	**31.12.2023**
Bonds (program)	-	13%	13%
Bank credits	55%	47%	39%
Bank guarantees	80%	82%	77%
Receivables factoring	73%	73%	59%
Reverse factoring	90%	93%	92%

As of the balance sheet date, the Group had both available credit lines (PLN 440 million) and available reverse factoring lines (PLN 165 million), which could be immediately utilized in the event of a liquidity gap. All covenants contained in these financing agreements are monitored on an ongoing basis, and as of the balance sheet date of 31 December 2025, no terms of the financing agreements had been breached. In the Management Board's opinion, there is no risk of termination of these agreements within the next 12 months from the balance sheet date.

The tool supporting the Management Board's decisions regarding the size and structure of financial instruments is the Group's liquidity model, prepared by the Group with the assistance of an independent external advisor for the next 12 months from the balance sheet date. This model was also used to assess the Group's ability to continue as a going concern and assess financial liquidity risk in the preparation of these financial statements. The liquidity model assumes the continued availability of trade credit limits from suppliers and limits on financing instruments provided by the financial sector. The Group's Management Board maintains a liquidity model and based on it, periodically assesses the Group's going concern through scenario analyses. The tests include (1) sales levels, (2) credit limit availability, (3) reverse and receivable factoring limit availability, and (4) interest rate levels.

For the purposes of assessing its going concern status, the Group also considered the pending court and tax proceedings described in Notes 7 and 8. As indicated in Note 7, pursuant to the judgment of the Court of Competition and Consumer Protection (SOKiK) of February 19, 2024, the decision issued by the President of the UOKiK was annulled. 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.

On 27 January 2026, the Court of Appeal in Warsaw issued a judgment dismissing the appeal filed by the President of the Office of Competition and Consumer Protection (UOKiK) against the SOKiK judgment of 19 February 2024. As a result of the dismissal of the UOKiK President's appeal, the SOKiK judgment became final and binding, and the aforementioned decision of the UOKiK President was legally set aside. The UOKiK President may file a cassation appeal against the Court of Appeal's judgment.

In turn, with respect to tax proceedings, the Company – also based on external tax legal opinions received – assumes that the risk of effective and legally binding upholding of the tax audit findings regarding the Company's potential VAT arrears is not significant, and if such a risk were to materialize, it would not result in a loss of the Group's financial liquidity.
Based on the analysis conducted and the facts mentioned 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 regarding its continued operations for the next 12 months.

2.2. SIGNIFICANT ACCOUNTING POLICIES

2.2.1. 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.

2.2.2. REPORTING PERIOD

The Group's reporting period is a calendar year.

2.2.3. 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.

2.2.4. 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 venturer 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.

2.2.5. 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:

	31.12.2025	31.12.2024
EUR	4,2267	4,2730

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.

2.2.6. 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:

o	licenses – software	33,3%
o	copyrights	10% - 20%
o	trademarks	5% - 10%
o	know-how	10%
o	relations with customers	5%
o	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.

2.2.7. 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:

a) the purchase price, including import duties and non-deductible purchase taxes, less trade discounts and rebates;

b) all other directly identifiable costs incurred to bring the asset to a location and condition in which it can function as intended by management;

c) 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:

o buildings and constructions	2,5% - 4,5%
o investments in third parties' property, plant and equipment (dependent on the duration of the agreement)	from 7,7%
o technical equipment and machinery	10% - 60%
o vehicles	14% - 20%
o 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.

2.2.8. 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.

2.2.9. 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.

2.2.10. 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.

2.2.11. 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.

2.2.12. 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.

2.2.13. 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.

2.2.14. 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.

2.2.15. 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.

2.2.16. 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.

2.2.17. 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:

a) 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
b) 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:

a) 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
b) 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:

(a) financial liabilities designated as at fair value through profit or loss,
(b) financial liabilities recognized as a result of reclassification of financial assets that are not qualified to be derecognized,

(c) financial guarantees contracts,
(d) obligations to grant low-interest or interest-free loans,
(e) 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.

2.2.18. 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:

a) the hedging relationship includes only eligible hedging instruments and eligible hedged items;
b) 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;
c) the hedging relationship meets all of the following hedge effectiveness requirements:
    1. there is an economic relationship between the hedged item and the hedging instrument;
    2. the credit risk does not have a predominant effect on the changes in value due to the economic relationship mentioned; and
    3. 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:

a. 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):
   - the gains or losses on the hedging instrument accumulated since the inception of the hedge; and
   - 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;

b) 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;

c) 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.

2.2.19. 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.

2.2.20. 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.

2.2.21. 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.

2.2.22. 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.

2.2.23. 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.

2.2.24. 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.

2.2.25. 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.

2.2.26. 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.

2.2.27. 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.

2.2.28. 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.

2.2.29. 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..

2.2.30. 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.

2.2.31. 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.

2.2.32. 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.

2.2.33. 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.

2.2.34. 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.

2.2.35. 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.

2.2.36. OPERATING SEGMENTS

An operating segment is a component of the Group:

a) 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);
b) 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;
c) 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 31.12.2025

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 2025, 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 2025, 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. - Discontinued operations

	for the period from 01.01.2025 to 31.12.2025	for the period from 01.01.2024 to 31.12.2024
Sales	**761 291 344**	**773 188 632**
Sales of goods	725 977 823	728 964 889
Sales of services	35 313 521	44 223 743
Costs of sales	**(606 377 862)**	**(622 156 230)**
Costs of goods sold	(606 377 862)	(622 156 230)
Gross profit (loss)	**154 913 482**	**151 032 402**
Selling expenses	(143 015 534)	(145 628 056)
General and administrative expenses	(23 309 986)	(16 784 974)
Profit (loss) on sales	**(11 412 038)**	**(11 380 627)**
Other operating income	529 602	1 596 712
Other operating expenses	(4 158 843)	(4 666 721)
Operating profit (loss)	**(15 041 279)**	**(14 450 636)**
Financial income	550 545	3 035 502
Financial costs	(4 364 955)	(4 996 982)
Profit (loss) before tax	**(18 855 689)**	**(16 412 117)**
Income tax expense	234 268	331 144
Profit (loss) for the period	**(18 621 421)**	**(16 080 973)**

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Inmedio Sp. z o.o. - Assets held for sale and liabilities related to assets held for sale

	As at 31.12.2025	As at 31.12.2024
Non-current assets	**128 915 792**	**163 346 137**
Goodwill	47 027 613	47 027 613
Intangible assets	9 403 316	10 502 835
Property, plant and equipment	18 796 262	33 393 748
Long-term receivables	322 628	268 733
Deferred tax assets	4 576 295	4 878 746
Other long-term prepayments	76 968	105 073
Right of use assets	48 712 712	67 169 389
Current assets	**82 449 861**	**114 461 511**
Inventories	54 724 456	62 793 882
Trade receivables	16 989 260	10 590 430
Current tax receivables	25	0
Other short-term receivables	861 925	455 395
Short-term prepayments	279 077	172 985
Cash and cash equivalents	9 595 117	40 448 818
Total assets	**211 365 653**	**277 807 648**
Liabilities	**98 002 985**	**118 529 083**
Non-current liabilities	**26 063 670**	**45 253 356**
Other long-term liabilities	1 780 804	1 956 402
Provisions	0	2 918 000
Long-term lease liabilities	24 282 866	40 378 954
Current liabilities	**71 939 315**	**73 275 727**
Trade payables	33 970 734	39 899 643
Current tax liabilities	0	200
Other short-term payables	6 647 085	3 230 729
Current employee benefits	57 701	57 701
Provisions	4 204 807	965 955
Short-term lease liabilities	27 058 987	29 121 498
Total equity and liabilities	**98 002 985**	**118 529 083**

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Inmedio Sp. z o.o. – Cash flows from discontinued operations

	for the period from 01.01.2025 to 31.12.2025	for the period from 01.01.2024 to 31.12.2024
Cash flow from operating activities		
Profit (loss) before tax	**(18 855 689)**	**(16 412 117)**
Adjustments for:	**46 851 995**	**48 216 153**
Depreciation and amortization	39 820 201	43 723 208
Gain (loss) on sale of property, plant and equipment	3 633 790	3 149 952
Profit (loss) on exchange rates	(396 756)	(770 196)
Interest expenses	3 945 698	4 372 503
Interest received	(150 939)	(2 259 315)
Operating cash before changes in working capital	**27 996 306**	**31 804 036**
	-	-
Changes in inventory	8 069 426	(17 402 285)
Changes in receivables	(6 873 892)	7 913 377
Changes in payables	(21 542 046)	1 639 926
Changes in provisions and employee benefits	780 129	(1 531 914)
Other adjustments	(3 777 571)	625 861
Operating cash	**4 652 353**	**23 049 001**
Interest paid	(303 047)	(17 947)
Income tax paid	(570)	(2 233)
Net cash from operating activities	**4 348 737**	**23 028 821**
Cash flow from investing activities		
Aquisition of intangible assets	-	(3 540)
Aquisition of property, plant and equipment tangible fixed assets	(1 979 481)	(10 097 422)
Income/expenses on financial assets	-	110 250
Interest received	150 939	2 259 315
Net cash used in investing activities	**(1 828 542)**	**(7 731 397)**
Cash flow from financing activities		
Expenses for liabilities from leasing	(29 731 246)	(32 575 647)
Interest on finance lease	(3 642 652)	(4 354 557)
Net cash used in financing activities	**(33 373 897)**	**(36 930 203)**
Net change in cash and cash equivalents	**(30 853 702)**	**(21 632 779)**
Cash and cash equivalents at the beginning of the period	40 448 818	62 081 598
Cash and cash equivalents at the end of the period	**9 595 117**	**40 448 818**

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NOTE 2.

OPERATING SEGMENTS

The Group distinguishes the following segments, which adequately demonstrate the diverse nature of its activities:

The Group presents the following segments, which correctly show the diverse of the activity:

- *Wholesale* - this is the activity of the Eurocash Group regarding the result on B2B sales to partner, franchise and non-associated stores. The segment includes wholesale operations carried out by the following distribution formats and companies: Eurocash S.A.: business units: Eurocash Dystrybucja and Cash & Carry, Eurocash Gastronomia, Eurocash Serwis Sp. z o.o., 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, partner system ABC or clients from the HoReCa segment and also the activities of companies organizing above franchise and partner systems: Eurocash Sieci Partnerskie Sp. z o.o., Partnerski Serwis Detaliczny S.A., Lewiatan Holding S.A. and regional companies Lewiatan: Lewiatan Śląsk Sp. z o.o., Lewiatan Podlasie Sp. z o.o., 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 provided by the Eurocash Gastronomia format, as well as sales realized by Cerville Investments Sp. z o.o., Ambra Sp. z o.o., 4vapers Sp. z o.o. w likwidacji and also as above: Innowacyjna Platforma Handlu Sp. z o.o..
- *Retail* - is the Eurocash Group's activity concerning the result on B2B sales to the Delikatesy Centrum franchise system and B2C sales realized by own stores Delikatesy Centrum, Arhelan, Lewiatan (within the company Partner Sp. z o.o.). Retail sale of Eurocash Group companies within the following entities: Firma Rogala Sp. z o.o., FHC-2 Sp. z o.o., Partner Sp. z o.o., Delikatesy Centrum Sp. z o.o., Arhelan Sp. z o.o. as well as within franchise network "Delikatesy Centrum", which is organised by Eurocash Franczyza Sp. z o.o. as part of sales to customers of this franchise system by Eurocash S.A. and developed by Eurocash Group project of distribution of fresh products. The Retail segment also includes the activities of non-operating entities: subsidiaries of 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 within the following entities: Duży Ben Sp. z o.o., Frisco S.A. developing activities in the e-commerce sector and its subsidiares. 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. In addition, the segment includes the business activities of ABC na kołach (on 1 July 2025, ABC na kołach Sp. z o.o. merged with Eurocash S.A. through the acquisition of ABC na kołach Sp. z o.o.,

- *Other* – covers the activities of service and non-operating companies including 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 2025 TO 31 DECEMBER 2025

	Wholesale	Retail	Projects	Other	Adjustments	Total
Sales	**25 003 119 196**	**9 001 375 221**	**1 135 114 120**	**1 771 519**	**(5 117 470 376)**	**30 023 909 680**
External sales of goods	22 137 438 472	6 689 550 381	1 115 459 588	-	-	29 942 448 441
Other external sales	41 820 125	38 861 803	779 311	-	-	81 461 239
Inter-segmental sales	2 823 860 599	2 272 963 037	18 875 221	1 771 519	(5 117 470 376)	-
Operating profit (loss)	**354 744 227**	**(169 275 371)**	**(66 668 163)**	**(162 166 310)**	**-**	**(43 365 617)**
Finance income						55 972 274
Finance costs						(309 184 373)
Share in losses of companies consolidated with the equity method						483 235
Profit (loss) before income tax						**(296 094 481)**
Income tax						3 015 628
Net profit (loss) from continued operations						**(293 078 853)**
Net profit (loss) from discontinued operations						(18 621 421)
Net profit (loss)						**(311 700 274)**

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REVENUES AND PROFITS BY BUSINESS SEGMENTS IN THE PERIOD FROM 01 JANUARY 2024 TO 31 DECEMBER 2024

	Wholesale	Retail	Projects	Other	Adjustments	Total
Sales	**26 002 534 254**	**9 781 900 513**	**1 087 613 609**	**2 684 757**	**(5 406 781 395)**	**31 467 951 738**
External sales of goods	23 127 815 828	7 195 650 183	1 066 600 254	-	-	31 390 066 264
Other external sales	36 258 596	40 633 688	981 217	11 972	-	77 885 474
Inter-segmental sales	2 838 459 830	2 545 616 643	20 032 139	2 672 784	(5 406 781 395)	-
Operating profit (loss)	**494 624 588**	**83 979 355**	**(105 283 932)**	**(174 315 281)**	**-**	**299 004 729**
Finance income						67 562 389
Finance costs						(315 788 128)
Share in losses of companies consolidated with the equity method						1 118 072
Profit (loss) before income tax						**51 897 062**
Income tax						(31 974 861)
Net profit (loss) from continued operations						**19 922 201**
Net profit (loss) from discontinued operations						(16 080 973)
Net profit (loss)						**3 841 228**

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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 31.12.2025	Goodwill	Patents and licences	Trademarks	Customer relations	Other intangible assets	**Total**
Carrying amount as at 01.01.2024	**2 138 258 889**	**76 573 417**	**75 848 933**	**102 739 984**	**46 160 747**	**2 439 581 970**
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	26 187	**(208 768)**
Carrying amount as at 31.12.2024	**2 091 231 277**	**80 752 336**	**65 412 372**	**90 239 984**	**39 873 432**	**2 367 509 401**
Carrying amount as at 01.01.2025	**2 091 231 277**	**80 752 336**	**65 412 372**	**90 239 984**	**39 873 432**	**2 367 509 401**
Other acquisitions	0	40 179 090	0	0	2 087 229	**42 266 319**
Transfer of fixed assets under construction	0	6 487 472	0	0	(90 000)	**6 397 472**
Disposals	0	(3 286)	0	0	(3 293)	**(6 578)**
Liquidations	0	(315 223)	(39 268)	0	(54 800)	**(409 290)**
Amortisation	0	(39 091 646)	(81 992)	(12 500 000)	(9 177 803)	**(60 851 441)**
Other changes	0	(7 800)	0	0	(425 913)	**(433 714)**
Carrying amount as at 31.12.2025	**2 091 231 277**	**88 000 943**	**65 291 113**	**77 739 984**	**32 208 852**	**2 354 472 169**

*net value as at 31.12.2024

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GOODWILL AND INTANGIBLE FIXED ASSETS IN THE PERIOD FROM 01.01 TO 31.12.2025 (continued)

	Goodwill	Patents and licences	Trademarks	Customer relations	Other intangible assets	**Total**
As at 31.12.2024						
Cost	2 091 231 277	502 484 079	128 436 809	315 673 264	162 055 738	3 199 881 167
Accumulated amortisation	0	(421 731 743)	(63 024 435)	(225 433 280)	(122 182 306)	(832 371 764)
Carrying amount	**2 091 231 277**	**80 752 336**	**65 412 372**	**90 239 984**	**39 873 432**	**2 367 509 401**
As at 31.12.2025						
Cost	2 091 231 277	548 824 333	128 397 541	315 673 264	163 568 960	3 247 695 375
Accumulated amortisation	0	(460 823 389)	(63 106 427)	(237 933 280)	(131 360 109)	(893 223 206)
Carrying amount	**2 091 231 277**	**88 000 943**	**65 291 113**	**77 739 984**	**32 208 852**	**2 354 472 169**

Goodwill presented in the consolidated statement of financial position consists of the following items (chronological):

- 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),

- goodwill on acquisition of "KDWT S.A" in the amount of PLN 22.103.227; (included in Wholesale segment impairment test)

- 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),

- goodwill on acquisition of "Nasze Sklepy Sp. z o.o." in the amount of PLN 2.596.627; (included in Retail segment impairment test),

- 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),

- goodwill on acquisition of Premium Distributors Group in the amount of PLN 226.352.528; (included in Wholesale segment impairment test),

- goodwill on acquisition of PolCater Group in the amount of PLN 11.428.359; (included in Wholesale segment impairment test),

- goodwill on acquisition of Tradis Group in the amount of PLN 684.865.254, (included in Wholesale segment impairment test),

- 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),

- 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),

- 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),

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- 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)

- 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)

- 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),

- 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),

- 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)

- goodwill on acquisition by Partner Sp. z o.o.in the amount of PLN 64.223.250 PLN, (included in Retail segment impairment test)

- 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)

- goodwill on acquisition by Frisco S.A. in the amount of PLN 195.033.111 PLN, (included in Projects segment impairment test).

- 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:

- Tradis Group companies in the amount of PLN 250.000.000 (amortization period 20 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 2025 and 2024.

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 31.12.2025	Land and buildings	Plant and equipment	Vehicles	Other fixed assets	Fixed assets under construction	**Total**
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**
Carrying amount as at 01.01.2025	**292 438 176**	**144 266 803**	**778 048**	**101 929 163**	**40 813 104**	**580 225 295**
Other acquisitions	6 064 614	67 348 740	2 101 122	27 684 008	14 122 351	**117 320 835**
Changes due to the transfer of fixed assets under construction	2 397 494	796 257	0	1 181 250	(10 772 473)	**(6 397 472)**
Disposals	(4 956 189)	(2 537 179)	0	(2 489 573)	(496 992)	**(10 479 933)**
Liquidations	(2 285 704)	(10 353 928)	(22 637)	(2 893 918)	(85 960)	**(15 642 147)**
Depreciation	(23 602 080)	(67 732 592)	(3 025 053)	(39 715 663)	0	**(134 075 389)**
Other changes	26 547	2 262 465	561 934	10 533 233	7 363 090	**20 747 269**
Carrying amount as at 31.12.2025	**270 082 858**	**134 050 567**	**393 413**	**96 228 500**	**50 943 120**	**551 698 459**

* net value as at 31.12.2024

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PROPERTY, PLANT AND EQUIPMENT IN THE PERIOD FROM 01.01 TO 31.12.2025 (continued)

	Land and buildings	Plant and equipment	Vehicles	Other fixed assets	Fixed assets under construction	**Total**
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**	**778 049**	**101 929 163**	**40 813 104**	**580 225 295**
As at 31.12.2025						
Cost	758 401 348	816 973 296	173 892 434	757 608 786	51 408 937	2 558 284 801
Accumulated amortisation	(488 318 489)	(682 922 730)	(173 499 020)	(661 380 285)	(465 817)	(2 006 586 341)
Carrying amount	**270 082 858**	**134 050 567**	**393 413**	**96 228 500**	**50 943 120**	**551 698 459**

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NOTE 5.

RIGHT OF USE

RIGHT OF USE IN THE PERIOD FROM 01.01 TO 31.12.2025	Land and buildings	Plant and equipment	Vehicles	Other fixed assets	Total
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)**
Dekonsolidacja Spółki	(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**
Carrying amount as at 01.01.2025	**1 706 911 456**	**25 715 230**	**190 369 556**	**5 352 177**	**1 928 348 419**
Increases due to the new agreements	26 948 866	0	49 407 718	0	**76 356 584**
Changes in conditions of contracts	168 322 576	17 819 557	16 689 936	0	**202 832 069**
Decrease of contracts scope	(101 722 965)	(10 187)	(8 928 389)	0	**(110 661 541)**
Depreciation	(315 407 830)	(17 819 959)	(57 070 660)	0	**(390 298 449)**
Other changes	(203 219 479)	0	0	0	**(203 219 479)**
Carrying amount as at 31.12.2025	**1 281 832 625**	**25 704 641**	**190 468 162**	**5 352 177**	**1 503 357 604**

* net value as at 31.12.2024

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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	(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**
As at 31.12.2025					
Cost	3 723 337 993	52 252 775	690 060 874	10 889 747	4 476 541 388
Accumulated amortisation and write-down	(2 441 505 368)	(26 548 134)	(499 592 712)	(5 537 569)	(2 973 183 783)
Carrying amount	**1 281 832 625**	**25 704 641**	**190 468 162**	**5 352 177**	**1 503 357 604**

* net value as at 31.12.2024

Total cash outflow from leases amounted to PLN 529,456,859 in 2025 (PLN 523,874,935 in 2024).

Interest paid under contracts covered by IFRS 16 amounted to PLN 93,948,790 in 2025 (PLN 95,454,527 in 2024).

Short-term and low-value leases, whose total payments amounted to approximately PLN 13.0 million in 2025 (approximately PLN 8.6 million in 2024), are excluded from recognition on the balance sheet.

This category includes the lease of vehicles, forklifts, and containers, among other items.

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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 2025, 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 2026-2030 and the residual value after the detailed forecast period. Historical data for 2025 and plans for 2026-2030 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,

- 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 1.6% was assumed 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 3.4 p.p. was assumed. compared to the level achieved in 2025, 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 10.63% (2024: 10,00%) 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 80 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 3.7% and a constant level of margin from 2028. 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 7.80% (in 2024: WACC 8.30%).

The assumed growth rate in the residual period was 3.0%.

The tested value of assets (adjusted for trade liabilities) of PLN 643 million includes goodwill of PLN 1,114 million and right-of-use assets of PLN 539 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:

a) impairment test for the "Eurocash" trademark worth PLN 27 million as at 31 December 2025.

b) impairment test for the “abc” trademark worth PLN 17 million as at 31 December 2025.

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 2026-2030. Historical data for 2025 and approved by the Management Board of Eurocash S.A. were used to determine selected projection parameters. plans for 2026-2030. 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 8.80%) was adopted as the discount rate (in 2024: WACC from 9.30%).

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

Impairment tests were performed for goodwill in the amount PLN 195 million for Frisco cash-generating unit.

The recoverable amount estimation model includes detailed 5-year cash flow projections based on long-term development and sales growth plans and a constant margin. The test assumed stable cash flows, and the discount rate used for cash flows was consistent with the weighted average cost of capital (WACC), calculated based on the risk-free rate.

Other elements used in the calculation, such as the market risk premium, beta coefficient, and capital structure, are based on market data relevant to the Company's industry.

The discount rate was assumed to be a weighted average cost of capital (WACC) of 10.80%.

A residual growth rate of 3.0% was assumed.

In the Group's opinion, no reasonable change in the key assumptions used to measure the recoverable amounts of individual cash-generating units would cause the carrying amounts of these units to exceed their recoverable amounts.

As a result of the test, no impairment was identified as at 31 December 2025.

NOTE 7.

INVESTMENT PROPERTIES

Investment properties are presented below.

INVESTMENT PROPERTY AS AT 31.12.2025	as at 31.12.2025	as at 31.12.2024
Opening balance	**11 142**	**694 264**
Disposal	0	(476 860)
Other changes	0	(206 261)
Closing balance	**11 142**	**11 142**

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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 31.12.2025	as at 31.12.2025	as at 31.12.2024
Opening balance	**14 781 175**	**13 663 103**
Increase in reporting period:	**483 233**	**1 118 072**
Interest in profit	483 233	1 118 072
Closing balance	**15 264 408**	**14 781 175**

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 31.12.2025	as at 31.12.2025	as at 31.12.2024
Shares in other entities	433 480	436 480
Receivables due to security instruments (IRS)	19 329	613 388
Total other long-term financial assets	**452 809**	**1 049 868**

NOTE 10.

LONG-TERM RECEIVABLES

Long-term receivables are presented below.

LONG-TERM RECEIVABLES AS AT 31.12.2025	as at 31.12.2025	as at 31.12.2024
Security deposits on rental agreements	20 006 225	16 731 144
Total long-term receivables	**20 006 225**	**16 731 144**

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NOTE 11.

OTHER LONG-TERM PREPAYMENTS

Other long-term prepayments are presented below.

OTHER LONG-TERM PREPAYMENTS AS AT 31.12.2025	as at 31.12.2025	as at 31.12.2024
Services accounted over time	5 245 612	2 400 143
Alcohol licences	0	6 641 835
IT licences	22 164	75 545
Rental of premises - premium	169 378	237 343
Commissions	1 491 974	3 354 379
Other prepayments	975 465	788 069
Total other long-term prepayments	**7 904 594**	**13 497 313**

NOTE 12.

INVENTORIES

Inventories are presented below.

INVENTORIES AS AT 31.12.2025	as at 31.12.2025	as at 31.12.2024
Merchandise	1 668 845 048	1 996 688 680
Total inventories, including:	**1 668 845 048**	**1 996 688 680**
- nominal value of inventory deposits securing payments of liabilities	90 000 000	108 000 000

* Presentation of Goods and Materials and advance payments jointly due to immateriality

ALLOWANCE FOR INVENTORIES IN THE PERIOD FROM 01.01. TO 31.12.2025	for the period from 01.01.2025 to 31.12.2025	for the period from 01.01.2024 to 31.12.2024
Opening balance	**43 535 383**	**57 726 981**
- increase in the allowance during the period *	0	
- write-offs during the period *	(923 496)	(14 191 598)
Closing balance	**42 611 887**	**43 535 383**

** net value*

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NOTE 13.

TRADE AND OTHER RECEIVABLES

Trade receivables and other receivables are presented below.

TRADE RECEIVABLES AND OTHER RECEIVABLES AS AT 31.12.2025	as at 31.12.2025	as at 31.12.2024
Trade receivables	**1 135 728 067**	**1 199 554 654**
Receivables from clients	444 951 703	494 441 411
Receivables from suppliers	602 622 632	600 507 267
Receivables from franchisees *	3 918 789	6 233 043
Other trade receivables	106 665 475	112 129 835
Allowance for trade receivables	(28 372 265)	(28 186 974)
Franchise fees	5 941 734	14 430 072
Current tax assets	**4 299 058**	**926 284**
Other receivables	**196 603 675**	**207 151 266**
VAT settlements	158 536 347	174 376 423
Receivables from employees	349 586	249 594
Receivables from sales fixed assets	1 119 430	316 140
Receivables due to payments by card	18 573 758	20 519 549
Receivables subject to legal proceedings	56 638 803	60 855 657
Allowance for other bad debts **	(56 345 474)	(60 221 005)
Receivables from sales of terminals	2 959 198	759 084
Other receivables (irrelevant individually)	14 772 026	10 295 823
Total receivables, including:	**1 336 630 800**	**1 407 632 204**
- long-term	0	0
- short-term	1 336 630 800	1 407 632 204

** 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 2025 (values as at 31 December 2024 are given in brackets), receivables covered by factoring reduce the total amount of trade receivables in the amount of: "program 1" - PLN 3.9 (6.2) million, "program 2" – PLN 148,6 (148,8) million, "program 3" – PLN 45,8 (49,3) million and "program 4" - PLN 182,1 (206,4) million and "program 5" - PLN 91,5 (88,0) 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" -

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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 2025 amounted to PLN 213,0 million (232,9 PLN million) in the case of "program 2", in the case of "program 4" - PLN 218,7 million (PLN 252,3 million) and in the case of "program 5" - PLN 121,2 million (PLN 123,8 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 31.12.2025	as at 31.12.2025	as at 31.12.2024
Receivables due to security instruments (IRS)	0	462 535
Other short-term investments	0	25 000 000
Receivables interest cah pool	9 517 259	10 350 842
Total other short-term investments	**9 517 259**	**35 813 376**

NOTE 15.

SHORT-TERM PREPAYMENTS

Short-term prepayments are presented below.

SHORT-TERM PREPAYMENTS AS AT 31.12.2025	as at 31.12.2025	as at 31.12.2024
IT services	7 346 573	6 580 208
Alcohol licences	6 963 082	8 125 994
Rentals	7 536 397	5 660 584
Media	247 175	286 479
Insurances	6 577 755	7 202 986
Revenue of future periods	3 166 437	2 542 784
Lease of commercial premises	235 876	459 758
Annual fees, subscriptions	38 488	161 444
Commissions	3 113 399	6 176 195
Time-based services	3 043 058	1 271 425
Other short-term prepayments	8 226 590	10 595 151
Total other short-term prepayments	**46 494 830**	**49 063 007**

NOTE 16.

CASH AND CASH EQUIVALENS

Cash and cash equivalents are presented below.

CASH AND CASH EQUIVALENTS AS AT 31.12.2025	as at 31.12.2025	as at 31.12.2024
Cash at bank	163 689 140	208 902 509
Cash on hand	4 636 854	6 803 674
Cash in transit	86 182 982	50 976 167
Cash on short-term deposits	80 502 635	89 161 495
Cash restricted to use	1 199 800	6 128 989
Money vouchers	247 702	21 075
	18 829 377	41 385 697
Total cash	**355 288 492**	**403 379 606**

Restrictions on the disposal of cash in VAT accounts do not affect the classification as "cash and equivalents".

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NOTE 17.

SHARE CAPITAL

Information on the share capital is presented in the tables below.

As at 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

1. By Resolution No. 27 of 15 May 2025, the Annual General Meeting of Eurocash S.A. (the "Company" and the "Resolution") made significant changes to the 2022 Employee Incentive and Bonus Program (the "Program"), adapting its rules to the amendment to the bond regulations. Instead of the originally planned bonds, the Program is now based on the issuance of Series A subscription warrants (the "Series A Warrants" and the "Program A") and Series B subscription warrants (the "Series B Warrants" and the "Program B"), which entitle the holder to acquire Series N Shares with priority over other shareholders. The Program is a continuation of the incentive programs addressed to management, executive staff, and employees who are essential to the Eurocash Group's operations, enabling outstanding individuals to acquire shares in the Company as a bonus.
2. In connection with:
    a. Program A - the Company will issue 278,326 (two hundred seventy-eight thousand, three hundred twenty-six) registered Series A Warrants, each of which will entitle the holder to subscribe for 25 (twenty-five) Series N Shares with priority over the Company's shareholders, or
    b. Program B - the Company will issue 278,326 (two hundred seventy-eight thousand, three hundred twenty-six) registered Series B Warrants, each of which will entitle the holder to subscribe for 25 (twenty-five) Series N Shares with priority over the Company's shareholders.
3. The Series A Warrants or Series B Warrants will not be in document form and will be registered with the National Depository for Securities.

4. The Series A Warrants or Series B Warrants will be offered by submitting a purchase proposal to the Trustee.
5. The deadline for submitting an offer to purchase Series A Warrants or Series B Warrants, as well as the deadline for the Trustee to accept the offer to purchase them, will be specified in the terms of issue of the Series A Warrants or Series B Warrants, respectively. The Management Board will allocate the Series A Warrants or Series B Warrants, respectively, to the Trustee.
6. The issue price of a Series A Warrant or a Series B Warrant will be 1 (one) grosz.
7. Conditions for the Offering of Series A Warrants or Series B Warrants:

a. Series A Warrants may be offered by way of a purchase proposal (and thus the issue of Series A Warrants will be effective and, consequently, Program A will be implemented) only if (i) the consolidated operating profit (EBIT) of the Eurocash Group in 2026 (normalized for the impact of one-off events) 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 closing price on each trading day) in the six-month period between 1 July 2025 and 31 December 2026 amounts to at least PLN 30.

b. Series B Warrants may be offered by way of a purchase proposal (and thus the issue of Series B Warrants will be effective and, consequently, Program B will be implemented) only if (i) the conditions specified in § 3 section 4 of the Resolution have not been met, i.e. Program A has not been implemented and Series A Warrants have not been issued, (ii) the consolidated operating profit (EBIT) of the Eurocash Group in 2027 (normalized for the impact of one-off events) 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 closing price on each trading day) in the six-month period between 1 July 2026 and 31 December 2027 amounts to at least PLN 30.

8. Consolidated operating profit (EBIT) of the Eurocash Group (normalized for the impact of one-off items), referred to above, means the consolidated operating profit (EBIT) of the Eurocash Group resulting from the consolidated financial statements of the Eurocash Group for the 2026 or 2027 financial year, respectively, normalized (adjusted) for the total impact of one-off events consisting of the Company's disposal of a controlling stake in a subsidiary or material assets of the Company or its subsidiary, which had a significant impact on the Eurocash Group's results in a given period.
Normalization will include both adjustment for the result on the sale of shares or assets and neutralization of the impact of the subsidiary's or its assets' lack of contribution to the consolidated result of the Eurocash Group in a given period. The consolidated operating profit (EBIT) of the Eurocash Group (normalized for the impact of one-off items), referred to above, will be finally determined by the Company's Supervisory Board in the resolution referred to in § 7, sec. 2 of the Resolution.
9. Eligible Persons:

a. in Program A, only management personnel, members of the management staff and persons of key importance to the operations of the Eurocash Group will be eligible to acquire all or part of the Series A Warrants: (i) employed and performing their duties for a period of 5 years starting from 1 January 2020

22 years of age and employed as of 31 December 2026; and (ii) individuals employed by the Eurocash Group as of 31 December 2026, who will be granted the right to acquire Series A Warrants as a reward for outstanding performance;

b. Under Program B, only management personnel, executives, and individuals of fundamental importance to the Eurocash Group's operations will be eligible to acquire all or part of the Series B Warrants: (i) employed and performing their duties for a period of 6 years from 1 January 2022, and employed as of 31 December 2027; and (ii) individuals employed by the Eurocash Group as of 31 December 2027, who will be granted the right to acquire Series B Warrants as a reward for outstanding performance.

10. The list of individuals initially qualified as Eligible Persons under the Program to purchase Series A Warrants or Series B Warrants will be determined by a resolution of the Supervisory Board. This list will serve as the basis for establishing the final list of Eligible Persons under the Program. The final list of Eligible Persons under the Program will be determined by the Supervisory Board and will include the individuals initially listed as Eligible Persons under the Program, excluding individuals whose employment with the Eurocash Group has terminated and including the Program Awardees. The final list of Eligible Persons under the Program will be determined by a resolution of the Supervisory Board by 30 April 2027 (Program A) or 30 April 2028 (Program B). The right to be included on the Final List of Eligible Persons under the Program as a property claim will be subject to protection and inheritance under general principles.

11. The issue price of one Series N Share will be determined by the Supervisory Board, assuming that its amount is to be PLN 11.93, adjusted (reduced) by the sum of dividends per share: (i) paid in the period from the date of adoption of resolution No. 25 of the Annual General Meeting of 30 June 2022 to the first day of the Option Exercise Period under Program A or the Option Exercise Period under Program B, and (ii) scheduled for payment in accordance with the resolutions of the General Meeting, but not yet paid, i.e. dividends whose dividend date falls on the first day of the Option Exercise Period under Program A or the Option Exercise Period under Program B. The resolution of the Supervisory Board will be adopted no later than 31 May 2027 in the event of the implementation of Program A, or 31 May 2028 in the event of the implementation of Program B.

12. Series N Shares will participate in the dividend. on the principles set out in the Resolution.

The structure of shareholders with more than 5% of the total number of voting rights is presented below:

Shareholding structure above 5%

	31.12.2025				31.12.2024			
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 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.*	9 826 346	7,06%	9 826 346	7,06%	9 880 009	7,10%	9 880 009	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%	6 980 160	5.02%	6 980 160	5.02%

Luis Amaral holds a total of 44.04% of the shares of Eurocash S.A. directly and indirectly through:
- Politra S.A.R.L. with its registered office in Luxembourg, whose sole shareholder holding 100% of the shares is Amaral e Filhas Limited with its registered office in London, United Kingdom (formerly Portuguese Private Investments Limited), whose sole shareholder is Luis Amaral,
- Western Gate Private Investments Ltd., based in the United Kingdom, whose sole shareholder is Amaral e Filhas Limited, based in London, United Kingdom (formerly known as Portuguese Private Investments Limited), whose sole shareholder is Luis Amaral.

Luis Amaral, through Politra s.a r.l., 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).

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Changes in the initial capital were as follows.

SHARE CAPITAL IN THE PERIOD FROM 01.01 TO 31.12.2025	for the period from 01.01.2025 to 31.12.2025	for the period from 01.01.2024 to 31.12.2024
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 5.047.311 as at 31 December 2025 and PLN 3.730.425 as at 31 December 2024, 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.

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NOTE 18.

PROVISIONS AND ACCRUALS

Provisions and accruals are presented below.

PROVISIONS AND ACCRUALS IN THE PERIOD FROM 01.01 TO 31.12.2025	Employee benefits	Accrual for costs of transport	Accrual for advertising costs
Provisions and accruals as at 01.01.2024	**168 885 550**	**19 217 918**	**19 957 316**
Increase due to joining of subsidary	(57 701)	0	(2 918 000)
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
Provisions and accruals as at 01.01.2025	**158 601 698**	**18 039 701**	**15 948 133**
Increases*	0	2 649 637	6 509 782
Decreases*	(28 946 107)	0	0
Provisions and accruals as at 31.12.2025, including:	**129 655 591**	**20 689 338**	**22 457 915**
- short-term	118 561 718	20 689 338	22 457 915
- long-term	11 093 873	0	0

** net value*

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	Provision for interests	Accrual for costs of media	Pozostałe	**Total**
Provisions and accruals as at 1 January 2024	**26 946 784**	**57 337 386**	**182 949 941**	**475 294 894**
Increase due to joining of subsidary	0	0	(965 955)	(3 941 657)
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	133 156 012	383 022 518
- long-term	0	0	289 143	9 207 206
Provisions and accruals as at 1 January 2025	**23 008 081**	**43 186 956**	**133 445 155**	**392 229 724**
Increases*	0	0	196 763 394	155 977 650
Decreases*	(17 821 880)	(3 177 177)	0	0
Provisions and accruals as at 31 December 2025, including:	**5 186 202**	**40 009 779**	**330 208 549**	**548 207 374**
- short-term	5 186 202	40 009 779	330 208 549	511 062 529
- long-term	0	0	26 050 972	37 144 845

** net value*

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PROVISIONS AS AT 31.12.2025	as at 31.12.2025	as at 31.12.2024
Employee benefits	11 093 873	8 918 063
Current employee benefits	118 561 718	149 683 635
Accrual for advertising costs	22 457 915	15 948 133
Accrual for intrests	5 186 201	23 008 081
Accrual for costs of media	40 009 779	43 186 956
Accrual for advisory and audit	2 941 676	3 351 138
Accrual for costs of transport	20 689 338	18 039 701
Accrual for rental costs	17 256 511	17 196 823
Accural for IT modernist works	2 832 466	3 749 889
Accrual for restructuring	215 004 422	0
Accrual for concessions	2 490 170	945 621
Court cases, potential disputes and receivables canceled	4 124 256	4 833 142
Other provisions and accruals	85 559 048	103 368 541
PROVISIONS TOTAL	**548 207 374**	**392 229 724**
- long-term	37 144 845	9 207 206
- short-term	511 062 529	383 022 518

*note 36

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 12.471.168 (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 5,15%.

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 2025.

Provision for interest

Provision applies to the estimated costs associated with unpaid liabilities for which contractual dates passed as at 31 December 2024.

It is expected that the reserve will be completed within 12 months from 31 December 2025.

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NOTE 19.

TRADE AND OTHER PAYABLES

Trade and other payables are presented below.

TRADE AND OTHER PAYABLES AS AT 31.12.2025	as at 31.12.2025	as at 31.12.2024
Trade payables	**4 562 269 875**	**4 840 205 063**
Payables due to purchase of goods	4 237 749 091	4 519 342 142
"- including: supplier financing program	*1 567 620 951*	*1 716 017 980*
Payables due to services received	169 898 437	176 449 854
Payables due to reversal of remuneration	154 622 347	144 413 067
Current tax liabilities	**6 819 842**	**25 678 067**
Other payables	**160 538 684**	**180 593 439**
VAT settlements	33 410 978	24 038 613
Liabilities due to purchases of assets	11 271 892	24 131 643
Liabilities due to social securities	66 221 416	70 010 286
Liabilities due to taxes and insurances	18 852 002	14 090 615
Liabilities from deposit	6 139 589	4 169 837
Option for purchase/selling the shares	15 575 279	44 046 627
Other payables	9 067 527	105 819
Total payables, including:	**4 729 628 401**	**5 046 476 569**
- long-term	6 139 588	4 169 836
- short-term	4 723 488 813	5 042 306 733

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 2025 included the value of balances covered by the supplier financing program in the amount of PLN 1.567.620.951, while as of 31 December 2024, the corresponding value of balances was PLN 1.716.017.980.

The option to purchase/sell shares in Firma Rogala was included in the short-term part.

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NOTE 20.

LOANS AND BORROWINGS

As of 31.12.2025, the Group has credit lines in the total amount of PLN 985,4 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 545,4 million. Detailed information on loans and credits is presented in the table below.

LOANS AND CREDITS AS AT 31 DECEMBER 2025

Credits	Credit destination	Liability amount	Interest rate
Subject 1	Loan for financing current activity	9 896 808	WIBOR + bank's margin
Bank association	Loan for financing current activity	541 240 000	WIBOR + bank's margin
Bank 1	Overdraft for financing of current activities	4 128 000	WIBOR + bank's margin
Total loans and credits		**555 264 808**	
- long-term		136 800 000	
- short-term		418 464 808	

The value of credit cost in 2025 amounted to PLN 56.682.936.

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	Loan for financing current activity	6 192 000	WIBOR + bank's margin
Total loans and credits		**523 343 350**	
- część długoterminowa		400 368 000	
- short-term		122 975 350	

The value of credit cost in 2024 amounted to PLN 52.530.073.

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.

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NOTE 21.

OTHER FINANCIAL LIABILITIES

Other financial liabilities are presented below.

FINANCIAL LIABILITIES AS AT 31.12.2025	as at 31.12.2025	as at 31.12.2024
Liabilities arising from the issue of bonds	0	125 000 000
Liabilities related to financing of franchisees	3 918 789	6 233 042
Valuation of hedging instruments	520 543	0
Liabilities interest	18 801 651	0
FINANCIAL LIABILITIES TOTAL	**23 240 983**	**131 233 042**
- long-term	0	0
- short-term	23 240 983	131 233 042

On 23 December 2025, the Company redeemed the bonds issued in 2020 with a nominal value of PLN 125,000,000 in accordance with the terms of the issue. The nominal value of the bonds, along with the accrued interest, was repaid on time, and the obligation under the bond issue was fully settled and extinguished.

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NOTE 22.

LEASE LIABILITIES

LEASE AS AT 31.12.2025	as at 31.12.2025	as at 31.12.2025	as at 31.12.2024	as at 31.12.2024
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	418 921 764	406 568 238	463 774 355	452 457 717
Between one and five years	1 082 227 821	935 537 837	1 313 136 514	1 155 055 378
More than five years	539 542 360	372 972 965	672 488 885	477 593 213
Total future minimum lease payments due to llease agreements	**2 040 691 946**	**1 715 079 040**	**2 449 399 755**	**2 085 106 308**
Finance costs	325 612 906	X	364 293 447	X
Present value of minimum lease payments due to lease agreements	**1 715 079 040**	**1 715 079 040**	**2 085 106 308**	**2 085 106 308**

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”).

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NOTE 23.

INCOME TAX

Income tax for the reporting period is presented below.

TAX RECONCILIATION FOR THE PERIOD FROM 01.01 TO 31.12.2025	for the period from 01.01.2025 to 31.12.2025	for the period from 01.01.2024 to 31.12.2024
Profit before tax	**(296 094 481)**	**51 897 062**
Income tax calculated base on 19% income tax rate	56 470 724	(10 226 640)
Negative temporary differences, for which the deferred tax asset was recognized in current year	(19 369 935)	(10 212 435)
Adjustment of current tax of previous years	3 524 894	(3 752 840)
The impact of tax on permanent differences between the gross result and the tax base	(103 128 660)	(105 992 245)
Use of tax losses for which no asset was created	5 264 161	8 493 114
Creation of an asset for tax loss that can be used in 2025	0	10 858 458
Impact of Tax Capital Group	60 254 444	78 857 727
Income tax in income statement	**3 015 628**	**(31 974 861)**
Effective tax rate	1,02%	61,61%

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.

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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 2025

	Statement of financial position		Income statement		Statement of other comprehensive income	
	as at 31.12.2025	as at 31.12.2024	for the period from 01.01.2025 to 31.12.2025	for the period from 01.01.2024 to 31.12.2024	for the period from 01.01.2025 to 31.12.2025	for the period from 01.01.2024 to 31.12.2024
Deferred tax liabilities						
- difference between tax and carrying amount of fixed assets	20 290 358	20 770 864	(480 506)	1 980 476	0	0
- not invoiced income	76 063 362	97 963 919	(21 900 557)	1 954 358	0	0
- revenues from accrued interests	213 726	378 078	(164 353)	37 216	0	0
- lease liabilities	19 572	10 135	9 436	10 135	0	0
- income from contractual penalties unpaid	1 673	0	1 673	(52 017)	0	0
- recognition of a trademark due to the acquisition of shares	2 538 733	2 713 818	(175 085)	(175 085)	0	0
- other	9 089 959	9 055 469	34 490	(1 630 038)	0	0
Gross deferred tax liabilities	**108 217 382**	**130 892 283**	**(22 674 901)**	**2 125 046**	**0**	**0**

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DEFERRED INCOME TAX IN THE PERIOD FROM 1 JANUARY TO 31 DECEMBER 2025 (continued)

	Statement of financial position		Income statement		Statement of other comprehensive income	
	as at	as at	for the period	for the period	for the period	for the period
	31.12.2025	31.12.2024	from 01.01.2025 to 31.12.2025	from 01.01.2024 to 31.12.2024	from 01.01.2025 to 31.12.2025	from 01.01.2024 to 31.12.2024
Deferred tax assets						
- bonuses	(1 784 238)	873 059	2 657 297	6 024	0	0
- allowance for inventories	3 257 603	2 825 762	(431 841)	1 716 083	0	0
- allowance for bad debts	13 715 406	13 799 984	84 578	757 857	0	0
- tax losses	8 863 394	41 901 265	33 037 871	(10 217 122)	0	0
- holiday accrual	4 576 793	4 215 627	(361 166)	426 242	0	0
- accrual for employees' bonuses	310 592	5 284 047	4 973 456	(283 217)	0	0
- unpaid payroll and social securities	350 600	568 540	217 940	(242 809)	0	0
- provision for retirement benefits, disability benefits, death benefits	1 961 992	1 587 307	(374 685)	(93 843)	0	0
- accruals	24 535 841	25 440 428	904 587	19 340 175	0	0

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DEFERRED INCOME TAX IN THE PERIOD FROM 1 JANUARY TO 31 DECEMBER 2025 (continued)

	Statement of financial position		Income statement		Statement of other comprehensive income	
	as at	as at	for the period	for the period	for the period	for the period
	31.12.2025	31.12.2024	from 01.01.2025 to 31.12.2025	from 01.01.2024 to 31.12.2024	from 01.01.2025 to 31.12.2025	from 01.01.2024 to 31.12.2024
Deferred tax assets						
- accrued interest on trade payables	24	115	90	492 413	0	0
- diference between right of use and lease liabilities	19 842 488	19 259 965	(582 523)	(3 039 423)	0	0
- writing off an asset to settle remuneration related to a limited distributor	(4 000 000)	(4 000 000)	0	0	0	0
- asset for future tax benefits	0	0	0	13 117 517	0	0
- other accruals	114 602 960	85 435 034	(29 167 927)	(10 363 654)	0	0
- valuation of hedging instruments	779 215	548 850	0	0	(230 364)	1 169 389
Gross deferred tax assets	**187 012 670**	**197 739 981**	**10 957 675**	**11 616 242**	**(230 364)**	**1 169 389**
Allowance of deferred tax asset	0	0	0	0	0	0
Deferred tax assets	**187 012 670**	**197 739 981**	**10 957 675**	**11 616 242**	**(230 364)**	**1 169 389**
Deferred income tax effect			**(11 717 226)**	**13 741 288**	**(230 364)**	**1 169 389**
Net deferred tax liabilities	**0**	**0**	**X**	**X**	**X**	**X**
Net deferred tax assets	**78 795 288**	**66 847 698**	**X**	**X**	**X**	**X**

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NOTE 25.

SALES IN THE REPORTING PERIOD

Sales are presented below.

SALE IN THE PERIOD FROM 01.01 TO 31.12.2025	from 01.01.2025 to 31.12.2025	from 01.01.2024 to 31.12.2024
Sale of goods	29 942 448 441	31 390 066 264
Sale of services	80 851 843	76 943 971
Sales of materials	609 396	941 503
Total sale	**30 023 909 680**	**31 467 951 738**

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 31.12.2025	from 01.01.2025 to 31.12.2025	from 01.01.2024 to 31.12.2024
Depretiation	585 225 278	605 242 108
Materials and energy	262 130 176	296 687 168
External services	1 246 982 115	1 172 544 507
Taxes and charges	84 148 858	85 149 316
Salaries	1 320 405 741	1 446 475 676
Social security and other benefits	244 024 735	255 455 007
Other costs by type	54 870 625	61 873 950
Costs by type	**3 797 787 528**	**3 923 427 732**
including:		
Cost of services sold	0	0
Cost of goods sold	3 284 243 007	3 410 393 764
General and administrative expenses	513 544 521	513 033 968

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COSTS OF GOFROMS SOLD FOR THE PERIOD FROM 01.01 TO 31.12.2025	from 01.01.2025 to 31.12.2025	from 01.01.2024 to 31.12.2024
Depreciation	531 759 072	538 644 892
Materials and energy	251 282 245	288 320 373
External services	1 052 753 506	1 018 725 859
Taxes and charges	80 787 142	82 845 846
Salaries	1 126 402 470	1 224 462 196
Social security and other benefits	202 283 875	213 973 363
Other costs by type	38 974 697	43 421 236
Total	**3 284 243 007**	**3 410 393 764**

GENERAL AND ADMINISTRATIVE EXPENSES FOR THE PERIOD FROM 01.01 TO 31.12.2025	from 01.01.2025 to 31.12.2025	from 01.01.2024 to 31.12.2024
Depreciation	53 466 206	66 597 216
Materials and energy	10 847 931	8 366 795
External services	194 228 609	153 818 649
Taxes and charges	3 361 716	2 303 470
Salaries	194 003 271	222 013 480
Social security and other benefits	41 740 860	41 481 644
Other costs by type	15 895 929	18 452 715
Total	**513 544 521**	**513 033 968**

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NOTE 27.

OTHER OPERATING INCOME AND EXPENSES

Other operating income and expenses are presented below.

OTHER OPERATING INCOME AND EXPENCES 01.01 TO 31.12.2025	from 01.01.2025 to 31.12.2025	from 01.01.2024 to 31.12.2024
Other operating income	**70 681 601**	**83 968 713**
Penalties for suppliers	2 222 074	2 751 421
Other sales	20 110 247	16 413 024
Sub-lease of premises	11 864 789	11 957 799
Profit on sales of fixed assets	102 991	2 998 270
Compensation received	4 141 415	6 056 999
Reversal of the inventory write-down	0	86 581
Reversal of allowance for bad debts	0	677 586
Donation received	1 204 892	776 052
Subsidies	394 405	423 419
Income related to settlements with employees	7 862 658	8 094 201
PFRON	909 739	725 036
Other related to IFRS16	9 228 781	4 326 536
Other (irrelevant individually)	12 639 609	28 681 788
Other operating expenses	**(313 408 102)**	**(20 365 289)**
Loss from disposals of property, plant and equipment	(966 764)	0
Impairment loss on inventories	(34 565)	0
Impairment loss on trade receivables	(1 224 850)	(2 815 297)
Paid penalties	(1 058 676)	0
Donations	(8 449 760)	(8 415 561)
Damage incurred	(2 210 410)	(1 983 757)
Restructuring costs*	(290 217 862)	0
Costs of closed locations	(2 505 696)	0
Packaging costs	0	(250 000)
Other (irrelevant individually)	(6 739 518)	(6 900 675)
Other net operating income / expenses	**(242 726 501)**	**63 603 424**

* note 36

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NOTE 28.

FINANCE INCOME AND COSTS

Finance income and costs are presented below.

FINANCE INCOME AND COSTS IN THE PERIOD FROM 01.01 TO 31.12.2025	from 01.01.2025 to 31.12.2025	from 01.01.2024 to 31.12.2024
Finance income	**55 972 274**	**67 562 389**
Revenues from discounts	37 969 584	49 988 064
Interest	12 767 816	8 992 742
Foreign exchange gains	0	63 446
Foreign exchange gains MSSF 16	3 014 911	5 199 139
Dividends	568 626	413 963
Other financial income (irrelevant individually)	1 651 337	2 905 034
Finance costs	**(309 184 373)**	**(315 788 128)**
Interest	(198 325 483)	(203 618 855)
Interest MSSF 16	(90 306 139)	(91 037 476)
Bank fees	(18 866 911)	(17 995 915)
Foreign exchange losses	(327 202)	0
Other financial expenses (irrelevant individually)	(1 358 638)	(3 135 882)
Net finance expenses	**(253 212 099)**	**(248 225 739)**

NOTE 29.

EARNINGS PER SHARE

Earnings per share are presented below.

EARNINGS PER SHARE FOR THE PERIOD FROM 01.01 TO 31.12.2025	from 01.01.2025 to 31.12.2025	from 01.01.2024 to 31.12.2024
Earnings		
Profit (loss) for the period attributable to the Owners of the Company	(336 087 985)	(26 875 158)
Number of issued shares		
Weighted average number of shares	139 163 286	139 163 286
Dilution efect of potential number of shares:		
Convertible bonds	(2 990 825)	0
Weighted average number of shares (to calculate diluted earnings per share)	136 172 461	139 163 286
Earnings per share		
- basic	(2,42)	(0,19)
- diluted	(2,47)	(0,19)

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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 01.01.2025 to 31.12.2025, 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 31.12.2025	Basic salary	Other benefits	Managerial options	Total
Remuneration of the Members of the Management Board				
Paweł Surówka	2 238 000	32 917	0	2 270 917
Katarzyna Kopaczewska	1 370 000	38 895	0	1 408 895
Szymon Mitoraj (from 01.01 to 31.08.2025)	880 000	33 260	0	913 260
Dariusz Stolarczyk (from 01.01 to 30.06.2025)	600 000	18 896	0	618 896
Tomasz Polański	1 458 200	48 418	0	1 506 618
Piotr Nowjalis	1 213 200	37 081	0	1 250 281
Marcin Celejowski	1 350 000	26 719	0	1 376 719
Paweł Trocki (from 01.09 to 31.12.2025)	360 000	6 378	0	366 378
Ogółem	**9 469 400**	**242 564**	**0**	**9 711 964**
Remuneration of the Members of the Supervisory Board				
Luis Amaral	232 656	1 017 648	0	1 250 304
Hans Joachim Körber	57 501	0	0	57 501
Francisco José Valente Hipólito dos Santos	57 501	0	0	57 501
Jorge Mora	232 656	0	0	232 656
Przemysław Budkowski	236 145	0	0	236 145
Rita Amaral (from 15.05 to 31.12.2025)	148 705	0	0	148 705
Iwona Sroka (from 15.05 to 31.12.2025)	148 705	0	0	148 705
Ogółem	**1 113 869**	**1 017 648**	**0**	**2 131 517**

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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	0	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	0	52 187
Marcin Celejowski (from 01.10 to 31.12.2024)	250 000	2 796	0	252 796
Ogółem	**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
Ogółem	**1 181 847**	**1 034 976**	**0**	**2 216 822**

NOTE 31.

EMPLOYMENT

Number of employees as at 31.12.2025 is presented below.

NUMBER OF EMPLOYEES AS AT 31.12.2025	31.12.2025	31.12.2024
Number of employees	14 804	16 521
Number of full-time jobs	14 683	16 380

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Employment structure as at 31.12.2025 is presented below.

EMPLOYMENT STRUCTURE AS AT 31.12.2025	Wholesale discounts and distribution centres	Head office	Total
Number of employees	12 912	1 892	**14 804**
Number of full-time jobs	12 805	1 878	**14 683**

Data concerning employee turnover ratios as at 31.12.2025 is presented below.

EMPLOYEE TURNOVER IN THE PERIOD FROM 01.01 TO 31.12.2025	from 01.01.2025 to 31.12.2025	from 01.01.2024 to 31.12.2024
Number of hired employees	2 565	3 777
Number of dismissed employees	(4 282)	(6 279)
Total	**(1 717)**	**(2 502)**

NOTE 32.

DATA OF ITEMS NOT INCLUDED IN THE FINANCIAL STATEMENTS

Bank guarantees as at 31.12.2025

Security title **	Currency	31.12.2025	31.12.2024*
Security of payments to suppliers***	PLN	206 820 855	191 688 251
Security of rent liabilities***	PLN	69 201 089	70 932 175
Security of liabilities due to proper realisation of the contract	PLN	230 010	230 010
		276 251 954	**262 850 436**

* restated

*** Guarantee in EUR is translated into PLN at the average exchange rate of NBP as at 31.12.2025 r. 1 EUR = 4,2267 PLN as at 31.12.2024: 1 EUR = 4,2730 PLN

** Change in presentation of bank guarantee data.

The Company has changed the presentation of data regarding bank guarantees due to the fact that Eurocash S.A. is the direct owner of guarantee lines under signed financial agreements with financial institutions. Guarantee lines are also used to issue bank guarantees to external entities that have entered into agreements with subsidiaries consolidated within the Group.

This change in data presentation aims to provide greater transparency in the financial statements and better reflect the actual liability and ownership structure of guarantee lines, as well as their application in the Company's operations.

As of 31 December 2025, the total value of bank guarantees issued at the request and responsibility of Eurocash S.A. amounted to PLN 260.1 million, including:

• the value of guarantees issued to secure agreements concluded by Eurocash S.A. amounted to PLN 131.7 million,

• the value of guarantees issued to secure contracts concluded by consolidated related entities amounted to PLN 128.5 million.

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As of 31 December 2025, the value of bank guarantees issued under the consolidated subsidiaries' own guarantee lines amounted to PLN 16.1 million.

Other administrative proceedings

On 30 November 2021, the President of the Office of Competition and Consumer Protection ("UOKiK") issued a decision in which he found that Eurocash S.A. had engaged in the practice of unfairly exploiting contractual advantage by charging suppliers of agricultural and 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. He also imposed a fine of over PLN 76 million on the Company.

Eurocash S.A. disagrees 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 ("SOKiK").

On 19 February 2024, the SOKiK issued a judgment annulling (in its entirety) the appealed decision of the President of the UOKiK, thus sharing the Company's position regarding the aforementioned decision of the President of the UOKiK. 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.

On 27 January 2026, the Court of Appeal in Warsaw issued a judgment dismissing the appeal by the President of the Office of Competition and Consumer Protection against the judgment of the Court of Competition and Consumer Protection of 19 February 2024. As a result of the dismissal of the appeal by the President of the Office of Competition and Consumer Protection, the Court of Competition and Consumer Protection judgment became final and binding, and the aforementioned decision of the President of the Office of Competition and Consumer Protection was legally repealed. The President of the Office of Competition and Consumer Protection may file a cassation appeal against the judgment of the Court of Appeal.

In connection with the aforementioned decision of the President of the Office of Competition and Consumer Protection, the Company did not recognize any provisions.

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 22 June 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 2.04.2026. On 31 March 2026, the Head of the Tax Office delivered to the Company a decision regarding VAT settlements for the period from Q4 2013 to Q1 2014, in which he determined the amount to be carried forward to subsequent settlement periods to be lower than declared (PLN 61.6 million instead of PLN 67.9 million). The decision is not final and does not specify the amount of the tax liability owed by the Company. The company filed an appeal against the above-mentioned decision on 13 April 2026. With respect to the remaining period covering the second quarter of 2014 – fourth quarter of 2016, the Head extended the proceedings until 2 June 2026.

NOTE 33.

COLLATERALS

Title	Secured property*	as at 31.12.2025	as at 31.12.2024
Security on the credit line agreement	Pledge on inventories of Eurocash S.A.	90 000 000	90 000 000
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.	0	12 000 000
Security on the credit line agreement	Pledge on inventories of Arhelan Sp. z o.o.	0	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	50 277 741	60 763 031

* 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.

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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	31.12.2025	31.12.2024
Receivable and loans	1 173 795 396	1 232 329 497
Cash and cash equivalents *	350 653 101	396 575 932
Total	**1 524 448 497**	**1 628 905 429**

* 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:

a) 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.
b) 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

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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.

c) sales to franchise chains and independent customers, including all distributed categories, such as food, alcohol, tobacco, catering, etc., are mostly made on credit. The share of credit sales across the group is approximately 80%. Delinquencies, although an integral part of the FMCG industry, constitute only approximately 6% of the total receivables balance resulting from sales of goods to the Group's customers. Losses resulting from non-payment of trade receivables (taking into account provisions for future losses), plus insurance and debt collection costs, amounted to less than 1% of the Group's sales in 2025. The credit risk management process, including credit analysis, limit setting, sales blocking, receivables insurance, soft debt collection, and debt collection of difficult receivables, has been located in the Treasury Department.

d) 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 2025, 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 31.12.2025	Trade receivables gross as at 31.12.2025	Trade receivables gross as at 31.12.2024
current	973 370 584	1 013 548 295
1-30 days	108 433 259	139 703 416
31-90 days	56 719 591	51 754 966
91-180 days	13 422 757	14 010 565
> 180 days	12 154 142	8 724 385
Total	**1 164 100 333**	**1 227 741 628**

ALLOWANCE FOR BAD DEBTS AS AT 31.12.2025	from 01.01.2025 to 31.12.2025	from 01.01.2024 to 31.12.2024
Opening balance	**28 186 974**	**27 641 033**
Increases*	185 292	545 941
Decreases*	0	0
Closing balance	**28 372 265**	**28 186 974**

** 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 31.12.2025 amounted to PLN 1,733.0 million (as at 31.12.2024: PLN 1.853,5 million).

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FACTORING LINES BY MATURITY DATE AS AT 31.12.2025

As at 31.12.2024 mln PLN	I Q 2026	II Q 2026	III Q 2026	IV Q 2026	2027	Indefinite	Total
Limits	0,0	0,0	810	430	25	468,0	1733,0
Use	0,0	0,0	740	414,4	25	388,2	1567,6

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

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. On 16 January 2026, the Group published Current Report No. 1/2026 regarding the establishment of a bond issue program for a total nominal value of PLN 500 million (the "Program"). Under the Program, the Group will be able to issue bonds in PLN multiple times with maturities not exceeding 10 years.

II. **working capital**

As of 31 December 2025, the Group's current liabilities exceeded its current assets by PLN 2.4 billion, which is typical for the Eurocash Group's industry, where a significant portion of sales is made on cash terms, inventories and overdue receivables are minimized (in accordance with the procedures described in the "Credit Risk" section above), and suppliers grant deferred payments. Trade credit (approximately 65% of the trade payables balance) and financial instruments (approximately 35% of the trade payables balance) are used to finance liabilities to suppliers. The Group uses financial instruments to facilitate capital management for both the Group and its suppliers. The balance of liabilities under reverse factoring agreements as of 31 December 2025, amounted to PLN 1,567.6

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million. Trade payables covered by reverse factoring agreements do not significantly change the terms of trade payables. As of 31 December 2025, the Group had active reverse factoring agreements with eight factors. The Group utilized 90% of its factoring lines as of the balance sheet date of 31 December 2025, compared to 93% in the previous year. The Group also has the ability to discount receivables. The Group maintains receivables factoring programs, and their utilization as of 31 December 2025, amounted to PLN 471.9 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 1,766 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 2025 was PLN 246.2 million, of which PLN 136.8 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 2025, was PLN 295 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 to realize benefits resulting from cash optimization under cash pool programs. The total limit in these programs granted to the Group (two programs at two local banks) was PLN 200.0 million as of 31 December 2025. Utilization as of 31 December 2025, was PLN 0.0 million, while as of 31 December 2024, the utilization 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 2025 are PLN 90 million, and their use is PLN 0.0 million.
  - investment loan granted to the Arhelan and used as at 31 December 2025 in the amount of PLN 4.1 million (and as of 31 December 2024, the amount was PLN 6.2 million).

CREDIT LINES BY MATURITY DATE AS AT 31.12.2025

mln PLN	Credit lines by maturity date					TOTAL
	Short-term lines				Long-term lines	
	I Q 2026	II Q 2026	III Q 2026	IV Q 2026		
Limits	31,5	37,4	672,4	107,4	136,8	985,4
Use as at 31.12.2025	31,5	27,4	322,4	27,4	136,8	545,4

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

The Group's Management Board recognizes that the maturity structure of assets and liabilities on the balance sheet determines the maturity of financing instruments. Therefore, as of 31 December 2025, the Group financed itself with loans, credits, factoring, and leases. This strategy of matching the maturity of financing sources to the nature of assets allows the Group to maintain flexibility in selecting financial instruments and ensures cost efficiency.

Funding liabilities related to franchisees are included in the balance sheet item "Other financial liabilities." This group of financial liabilities includes the factoring agreement with the Delikatesy Centrum franchisees, where the debt represents the amount of the guarantee provided by the Group to the financial institution. The limit in this agreement as of the balance sheet date is PLN 6.0 million, while the drawdown as of 31 December 2025, was PLN 3.9 million (a 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 31.12.2025	Value	< 1 month	1-3 months	3-6 months	6-12 months	1-5 years	> 5 years
Financial lease liabilities	2 040 691 946	36 203 068	71 580 631	105 985 592	205 152 473	1 082 227 821	539 542 360
Other finance liabilities	520 543	0	0	520 543	0	0	0
Liabilities due to financing of franchisees	3 918 789	1 573 657	2 345 132	0	0	0	0
Trade liabilities	3 021 425 927	2 426 567 366	587 741 937	0	977 036	6 139 588	0
Share purchase/sale option	15 575 279	0	0	0	15 575 279	0	0
Loans and borrowings	584 712 987	7 096 165	32 881 654	35 482 828	365 773 502	143 478 838	0
The issuance of debt securities	0	0	0	0	0	0	0
Supplier financing program	1 573 868 011	1 101 021 301	472 846 711	0	0	0	0
	7 240 713 482	**3 572 461 556**	**1 167 396 065**	**141 988 963**	**587 478 290**	**1 231 846 248**	**539 542 360**

LIQUIDITY RISK

restated*

AS AT 31.12.2024	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 liabilities	3 152 594 385	2 472 383 705	675 193 436	0	847 408	4 169 836	0
Share purchase/sale option	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
	8 105 287 127	**3 780 604 026**	**1 256 826 225**	**160 335 775**	**485 673 320**	**1 749 358 896**	**672 488 885**

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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 31.12.2025	Trade liabilities gross as at 31.12.2025	Trade liabilities gross as at 31.12.2024
current	4 438 973 447	4 823 946 553
1-30 days	122 863 645	16 258 510
31-90 days	0	0
91-180 days	0	0
> 180 days	432 783	0
Total	**4 562 269 875**	**4 840 205 063**

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 2025 amounted to PLN 541.2 million (PLN 505.7 million as at 31 December 2024), 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 2025, 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

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Market risk is related to changes in demand, supply, and prices, as well as other factors that affect the Group's results or the value of its assets (such as foreign exchange rates, interest rates, and fuel and energy prices). The objective of market risk management is to maintain exposure to this risk within an acceptable range while optimizing risk returns. The Group does not hedge the risk of changes in the prices of products, commodities, and raw materials traded by the Group; however, it does hedge interest rate risk using IRS contracts, as described in Note 34.

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 31.12.2025 in PLN	**1 715 079 040**
Value PLN	
agreements in EUR	236 587 715
agreements in PLN	1 478 491 325
Agreement currency value	
agreements in EUR	55 974 570
agreements in PLN	1 478 491 325

Liabilities as at 31.12.2024 in PLN	**2 085 106 308**
Value PLN	
agreements in EUR	264 445 625
agreements in PLN	1 820 660 683
Agreement currency value	
agreements in EUR	61 887 579
agreements in PLN	1 820 660 683

Cash flow from 01.01 to 31.12.2025	
Agreement currency value	
agreements in EUR	18 078 266
agreements in PLN	358 928 768

Cash flow from 01.01 to 31.12.2024	
Agreement currency value	
agreements in EUR	17 992 591
agreements in PLN	373 659 283

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.

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sensitivity of the currency exposure	PLN
sensitivity of the balance sheet exposure resulting from the valuation of rent agreements	
1% decrease of PLN currency	(2 365 877)
1% increase of PLN currency	2 365 877
sensitivity of exposure resulting from financial flows over a period of 12 months under rent agreements	
1% decrease of PLN currency	(764 114)
1% increase of PLN currency	764 114

sensitivity of the currency exposure	PLN
sensitivity of the balance sheet exposure resulting from the valuation of rent agreements	
1% decrease of PLN currency	(2 644 456)
1% increase of PLN currency	2 644 456
sensitivity of exposure resulting from financial flows over a period of 12 months under rent agreements	
1% decrease of PLN currency	(768 823)
1% increase of PLN currency	768 823

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 2025. Both in 2025 and 2024, 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 2025	< 1 year	2-5 years	> 5 years	Total
Cash and cash equivalents	355 288 491	0	0	**355 288 491**
Liabilities covered by reverse factoring	(1 567 620 951)	0	0	**(1 567 620 951)**
Factoring of receivables without recourse	(468 011 904)	0	0	**(468 011 904)**
Credits and loans	(418 464 808)	(136 800 000)	0	**(555 264 808)**

31 December 2024	< 1 year	2-5 years	> 5 years	Total
Cash and cash equivalents	403 379 606	0	0	**403 379 606**
The issuance of debt securities	(125 000 000)	0	0	**(125 000 000)**
Liabilities covered by reverse factoring	(1 716 017 979)	0	0	**(1 716 017 979)**
Factoring of receivables without recourse	(492 566 788)	0	0	**(492 566 788)**
Credits and loans	(122 975 350)	(400 368 000)	0	**(523 343 350)**

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:

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VARIABLE AND FIXED INTEREST RATE FINANCIAL INSTRUMENTS	31.12.2025	31.12.2024
Fixed interest rate instruments		
Financial assets	19 329	1 075 923
Financial liabilities	1 715 599 583	2 085 106 308
Variable interest rate instrument		
Financial assets	355 289 955	428 842 140
Financial liabilities	2 507 061 208	2 761 062 717

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. 2024.

	Income statement		Equity	
SENSITIVITY ANALYSIS OF FINANCIAL INSTRUMENTS	increases 100bp	decreases 100bp	increases 100bp	dereases 100bp
31 December 2025	(21 517 713)	21 517 713	0	0
31 December 2024	(23 322 206)	23 322 206	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).

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As at 31 December 2025 the list of swap transactions concluded was.

Transaction date	Nominal value	Start	End	Valuation as at 31.12.2025
13.10.2023	100 000 000	31.10.2023	30.06.2026	- 520 543
02.04.2021	17 593 620	02.04.2021	16.03.2026	19 329
				- 501 214

As at 31 December 2024 the list of transactions concluded was.

Transaction date	Nominal value	Status	Start	End	Valuation as at 31.12.2024
13.10.2023	100 000 000	In progress	31.10.2023	30.06.2026	691 902
02.04.2021	278 709	In progress	02.04.2021	31.01.2025	18
02.04.2021	17 593 620	In progress	02.04.2021	16.03.2026	226 711
28.09.2020	11 825 800	In progress	30.09.2020	30.09.2025	157 294
					1 075 923

The company assumes that 2026 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.

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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 shareholder of Arhelan Sp. z o.o. - Foundation Arhelan-Społecznie Odpowiedzialni (hereinafter referred to as the Foundation) - a declaration of evasion of the legal effects of the declaration of intent – an offer to purchase all 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 material error as to the content of the legal act. Consequently, Eurocash evaded the legal effects 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 replies; exchange of the aforementioned The letters took place in the first half of 2023. On 27 November 2024, the Foundation submitted to the Company a declaration on the exercise of the Put Option. The Foundation takes the position that, as a result of submitting the aforementioned declaration, a new sales agreement was concluded between it and the Company, under which the Company is obligated to pay PLN 152,145,746.91 to the Foundation in exchange for the acquisition of 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 December 2024, Eurocash, in addition to disputing the substance of the Foundation's statement, challenged the price, which was calculated contrary to the UI. In the Company's opinion, the price was significantly inflated, and to confirm this, the Company submitted a number of corrections, developed jointly with an independent, reputable advisor. Since December 2024, there has been an ongoing exchange of non-litigious correspondence between the Company and the Foundation regarding the Foundation's submission of the aforementioned statement. In a letter dated 7 February 2025, the Foundation requested the Company to pay PLN 152,145,746.91. Since the Company disputes the Foundation's claim both on its substance and as to the amount, in a letter dated February 21, 2025, the Company refused to pay the aforementioned amount due to its unfounded nature. On 5 May 2025, the Company was served with a demand for arbitration dated April 3, 2025 in this case, in which the Foundation requested that Eurocash be ordered to (i) pay PLN 152,145,746.91 (including statutory default interest) as payment for 250,788 shares in the share capital of Arhelan Sp. z o.o., (ii) pay PLN 5,299,048.79 (including statutory default interest) as capitalized statutory default interest calculated from the date of the demand for payment, and (iii) reimbursement of court costs. The Company consistently disputes the effectiveness of the declaration and the existence and amount of the Foundation's claim for payment, as well as the merits of the claims raised in the demand for arbitration. On 2 July 2025, the Company filed a response to the arbitration notice, contesting the Foundation's claim both in principle and as to its amount. To the Company's best knowledge, the arbitration proceedings could take at least several months. On 14 November 2025, the Company received the Foundation's arbitration claim. In the claim, the Foundation reiterated the request presented in the arbitration notice. To the Company's best knowledge, the arbitration proceedings will conclude in the fourth quarter of 2026 at the earliest.

Similarly to its previous reports, the Company indicates that: (a) the submission of the above declaration of waiver of 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 purchase shares in Arhelan Sp. z o.o. in its statement of financial position starting from the first quarter of 2023. Previously, this option was recognized in other long-term liabilities and capital in the last financial statements before submitting the declaration on waiver of the option, i.e. the statements 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. 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.

5. Mergers and Liquidations of Companies

1) On 3 April 2025, the Management Boards of Eurocash S.A. and Eurocash VC3 Sp. z o.o. signed a merger plan under which Eurocash S.A. and Eurocash VC3 Sp. z o.o. will merge through the acquisition of Eurocash VC3 Sp. z o.o., resulting in the transfer of all assets of Eurocash VC3 Sp. z o.o. to Eurocash S.A. in accordance with Article 492 § 1 item 1) of the Commercial Companies Code (merger by acquisition).
2) On 8 April 2025, the Management Boards of Eurocash S.A. and ABC na kołoch Sp. z o.o. signed a merger plan under which Eurocash S.A. and ABC na kołoch Sp. z o.o. will merge through the acquisition of ABC na kołoch Sp. z o.o., as a result of which all assets of ABC na kołoch Sp. z o.o. will be transferred to Eurocash S.A. in accordance with Article 492 § 1 item 1) of the Commercial Companies Code (merger by acquisition).
3) On 15 May 2025, (a) the Annual General Meeting of Eurocash S.A. and the Extraordinary Shareholders' Meeting of Eurocash VC3 Sp. z o.o. adopted resolutions regarding the merger of the Company with Eurocash VC3 Sp. z o.o., and (b) the Annual General Meeting of Eurocash S.A. and the Extraordinary Shareholders' Meeting of ABC na kołoch Sp. z o.o. adopted resolutions regarding the merger of the Company with ABC na kołoch Sp. z o.o.
4) On 1 July 2025, the mergers of (a) the Company with ABC na kołoch Sp. through the acquisition of ABC na kołoch Sp. z o.o. and (b) the Company from Eurocash VC3 Sp. z o.o. through the acquisition of Eurocash VC3 Sp. z o.o.
5) On 15 September 2025, Przedsiębiorstwo Handlu Spożywczego sp. z o.o. was deleted from the Register of Entrepreneurs of the National Court Register (KRS) (as a result of the completion of liquidation and the filing of an application with the KRS to delete the company from the KRS).
6) On 25 September 2025, EKO Holding S.A. in liquidation was deleted from the Register of Entrepreneurs of the National Court Register (as a result of the completion of liquidation and the filing of an application with the KRS to delete the company from the KRS),
7) On 1 September 2025, a resolution was adopted on the dissolution of the company 4Vapers Sp. z o.o. w likwidacji and placing it into liquidation.

6. **Strategy of the Group for years 2026-2027**

On 9 December 2025, the Management Board of Eurocash S.A. adopted the Strategy for the Eurocash Group for 2026–2027.

The strategy assumes:

a. Transforming the Eurocash S.A. Capital Group into an integrated, modern franchise system, aimed at further strengthening the position of local stores in Poland;

b. Optimizing costs across the entire value chain through simplification and a focus on franchises;

c. Ensuring revenue growth through the dynamic expansion of franchise networks, improving like-for-like sales (LfL), transforming the Duży Ben chain, and scaling the Frisco online footprint;

d. Focusing on locality, close customer and consumer relationships, and high-quality products – particularly by offering fresh products and developing private labels;

e. Building a data-driven retail platform aimed at improving store profitability, automating operations, increasing franchisee loyalty, and driving customer traffic through data-driven decisions;

f. Maintaining and strengthening Eurocash Group's position as the third-largest player in the domestic FMCG market.

Sustainable development activities will also be a key element of the Strategy.

Following the Management Board's decision to focus on franchise operations, non-strategic operations (which include the "Delikatesy Centrum" own-store segment) will be significantly reduced, which will translate into the cessation of operations of approximately 150 stores operated by Delikatesy Centrum Sp. z o.o.

In connection with the implementation of the Strategy, the Management Board made one-time write-offs and established restructuring provisions totaling PLN 290 million. This amount primarily consists of write-offs related to:

- the cessation of operations of approximately 150 "Delikatesy Centrum" own-stores operated by Delikatesy Centrum Sp. z o.o. PLN 152 million, including provisions for costs related to the operational closure of stores in the amount of PLN 73 million and the write-off of fixed assets and rights of use allocated to planned closures in the amount of PLN 79 million.
- Supply chain optimization (including the reduction of logistics centers and cash and carry halls) PLN 111 million, including provisions for costs related to the operational closure of logistics centers and C&C halls in the amount of PLN 70 million and the write-off of fixed assets and rights of use allocated to planned closures in the amount of PLN 41 million.
- Employment reduction in central departments in the amount of PLN 26 million.

NOTE 37.

IMPORTANT EVENTS AFTER THE PERIOD COVERED BY THE FINANCIAL STATEMENTS

1. On 16 January 2026, the Group published Current Report No. 1/2026 regarding the establishment of a bond issue program for a total nominal value of PLN 500 million (the "Program"). Under the Program, the Group will be able to issue bonds in PLN multiple times with maturities not exceeding 10 years.

2. Middle East War

On 28 February 2026, Israel and the United States conducted airstrikes on numerous facilities and cities in Iran, killing Supreme Leader Ali Khamenei and numerous other Iranian officials.

Iran responded with missile and drone attacks on Israel, American bases, and US allies in the region. The conflict in the Middle East is the result of an overlap of territorial disputes, religious disputes (fundamentalism), and resource disputes (oil). Key causes include the Israeli-Palestinian conflict (disputes over land, refugees, and the status of Jerusalem), rivalries for regional dominance (including Iran and Saudi Arabia), and the activities of terrorist organizations.

The conflict led to an immediate spike in oil and gas prices, widespread disruptions to aviation and tourism, and increased volatility in financial markets. Iran forced the closure of the Strait of Hormuz and attacked energy facilities, disrupting global oil and gas supplies. A potential escalation and extension of military operations could negatively impact the Group's market environment. This applies particularly to oil prices and disruptions to other supply chains, especially gas. This could result in increased inflation and a deterioration in consumer sentiment among Polish consumers.

3. Mergers of Companies

On 9 March 2026, the Management Board of Eurocash Franczyza Sp. z o.o. adopted a resolution adopting a plan to merge Eurocash Franczyza Sp. z o.o. (the acquiring company) with Eurocash Sieci Partnerskie Sp. z o.o. (the acquired company).

SIGNATURES OF THE MANAGEMENT BOARD MEMBERS

Position	Name and surname	Date	Signature
President of the Management Board	Paweł Surówka	29 April 2026	
Management Board Member, Human Resources Director	Katarzyna Kopaczewska	29 April 2026	
Management Board Member, Financial Director	Piotr Nowjalis	29 April 2026	
Management Board Member	Tomasz Polański	29 April 2026	
Management Board Member	Marcin Celejowski	29 April 2026	
Management Board Member	Paweł Trocki	29 April 2026	

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