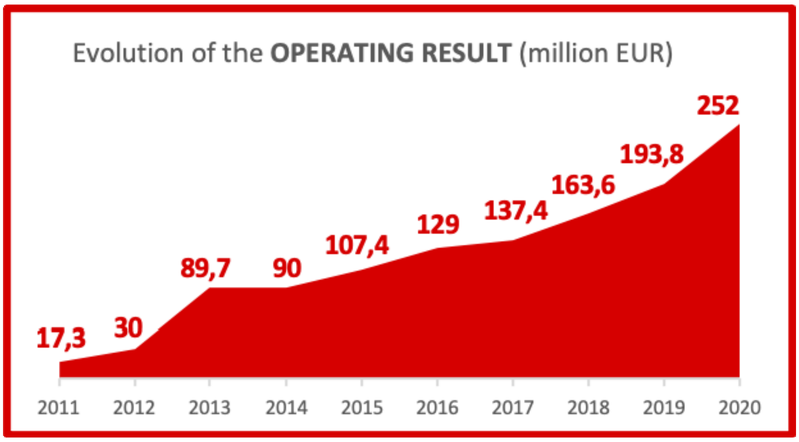
Press release

Applies asset valuation adjustments and closes a stage

EROSKI RAISED ITS OPERATING RESULT BY 30.2% UP TO €252 MILLION IN 2020

- **The *ebitda* exceeded €330 million with a 26% increase over 2019**
- **Total sales grew by 2.1 % up to €5,377 million, increasing its food market share in the northern area of the Spanish market**
- **The value of its consolidated assets was adjusted in €195 million, applying a more prudent valuation to the future projections of business**
- **of its consolidated assets was adjusted in €195 million, applying a more prudent projection of the future evolution of business**
- **Consequently, it presents a negative consolidated result of €77 million**
- **In 2020 EROSKI reduced its financial debt by €140 million, accruing a reduction of over €2,000 million since 2009**
- **It has completed 12 years of transformation as well as improvement in competitiveness and financial position**

Elorrio, 18 May 2021.- The EROSKI Group closed the accounts for the year 2020, at 31 January 2021, with the best operating result in the last twelve years, as it reached 252 million Euros, which means an increase by 30.2% as compared to the previous year. Its *ebitda* also improved by 26% up to 331 million Euros. The improvement in results in 2020 is also due to the accrued improvement in the competitiveness of the businesses of the group in the last 12 years.



The same positive evolution can be observed in the gross sales of the group, which increased by 2.1% up to 5,377 million Euros, in spite of the adverse effects of COVID-19 on its non-food businesses, which were especially affected by mobility and opening restrictions during the pandemic. The growth in turnover was achieved

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in a context in which the sales area of the group in the year was reduced by 3.5%. This good sales performance was also observed in the online channel, which closed 2020 with an increase by 82%.

EROSKI reinforced its leading position in the northern area of the Spanish market (from Galicia to the Balearic Islands) and raised its market share up to 13.3% in 2020, remaining the second food distributor in this area.

"2020 will go down in history as an exceptional year due to the effects of the COVID, *which has conditioned the entire social and business life. EROSKI's general performance has been very positive, although some businesses such as petrol stations, travel or sport have suffered considerable negative impacts",* EROSKI's Chair, Agustín Markaide, pointed out.

This good performance has resulted in clearly positive ordinary results. *"Ordinary results have improved considerably, both as regards gross results, ebitda, as well as operating results. It has now been many years of continuous improvement as a consequence of the restructuring carried out in the businesses and the improvement in competitiveness",* Markaide pointed out.

EROSKI maintains its store opening rate

In spite of the difficulties derived from the pandemic, last year EROSKI opened more than 70 stores, including their own as well as franchised, reinforcing its position in the northern area. Especially remarkable is the acquisition and adaptation to the "With you" model of ten stores belonging to Sabeko Banaketa in Bizkaia. The transformation of its network also focused on this priority northern area, with 92 renovated stores.

Nevertheless, the group decreased its total commercial area by 40,000 m^2 as a consequence of reducing its presence with hypermarkets outside the northern area.

As far as real estate operations are concerned, in 2020 EROSKI closed the *sale & leaseback* of a portfolio of 27 properties with the REIT W. P. Carey for 85.5 million.

Extraordinary provisions that reduce asset values

In 2020 EROSKI updated the valuation of its assets by applying a more prudent valuation to the future projections of those businesses affected by the pandemic and adapting the discount rates of those projections to the surrounding economic and financial uncertainties. All this has led to a decrease in the value of the goodwill and other assets, both in the consolidated accounts as well as in the accounts of EROSKI cooperative.

"We think that the assessment of business risks must be more prudent, especially as we are going through a pandemic that has taken all of us by surprise due to its

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speed and impact. This has made us more cautious when valuing those assets that are evaluated according to future projections. Therefore, in 2020 we included considerable provisions, both in the individual as well as the consolidated accounts. This greater caution leaves us in a better position to deal with any circumstance in the future", Agustín Markaide said.

The extraordinary provisions are the reason why, in spite of the excellent operating results obtained in the year, both the consolidated accounts of the EROSKI group as well as those of EROSKI S. COOP. (holder of the shares of those companies whose valuations have been updated) show negative results amounting to 77.56 and 442 million Euros, respectively, at the end of 2020.

2009-2020: Closing a stage

"EROSKI is at the end of a stage and the beginning of another. The stage that is now coming to an end has been characterized by an important restructuring that has led EROSKI to half the size it had in 2008. A stage with significant economic, financial and social impacts. The cooperative culture of our group, based on effort, sacrifice, solidarity and social cohesion, has enabled us to pull ourselves together, transform ourselves and recover our project. That is the reason why EROSKI is now stronger than ever" EROSKI's Chair, Agustín Markaide, has explained.

During that stage, EROSKI decided to focus on efficiency, reduce its scope in order to focus its efforts on the northern area, where it is a leading operator, and strengthen its priority businesses. As a consequence, it carried out several operations to reduce its network (selling IF perfume shops as well as its network of supermarkets in the central area and hypermarkets in non-priority areas…) and undertook the divestment of some idle and real estate assets. Likewise, it signed several agreements to refinance its debt with financial entities, which brought financial stability to continue developing its roadmap. Finally, it has recently admitted a partner in its businesses in Catalonia and the Balearic Islands.

Incorporation of EPCG as a partner in Catalonia and the Balearic Islands

Last March EROSKI reached an agreement with the investment holding company EP Corporate Group and admitted it as a partner in the company SUPRATUC 2020, which comprises the businesses of Catalonia and the Balearic Islands. This operation will relaunch investment as well as the activity in Catalonia, under the CAPRABO trademark, and in the Balearic Islands, under the EROSKI trademark and *"is a sign of the trust in our project for the future, since this agreement has a management and development plan accepted by both parties, which will enable the consolidation of our market as well as the reinforcement of our commercial position and its profitability. The driving capacity that our business has proved to have,*

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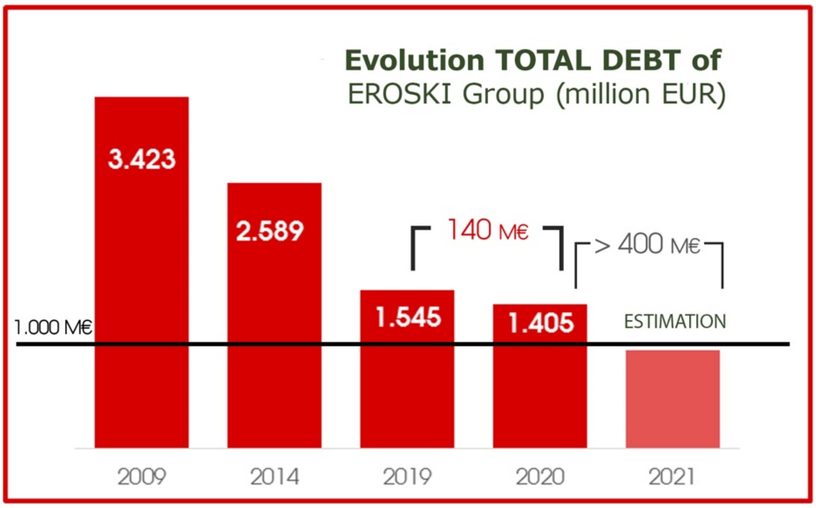
even at the international level, confirms that our activity and plans for the future are moving in the right direction", EROSKI Group's Chair stated.

Normalized debt and start of a new stage

In 2020 EROSKI reduced its financial debt in 140 million Euros, having reached a reduction of over 2,000 million Euros since 2010.

"In recent years EROSKI has been fulfilling its debt reduction commitments, even during the COVID pandemic, and, at the same time, it has been transforming the business into a more competitive model. It is now in a position to bring the debt overload to an end and we expect to reach normal levels in our net financial debt by the end of 2021" Markaide said. EROSKI's debt amortization commitment established for the end of this year will have been been fulfilled in an amount higher than that which was committed, reducing its financial debt to under one thousand million.



The greater competitiveness of the business and the improvement in financial position enable EROSKI to start a new stage. As EROSKI's Chair points out, *"the new stage that EROSKI is about to enter, with fewer limitations than in the past, will continue focusing on our commitment as a cooperative-company, the commitment to be an active transformation agent in favour of the present as well as the future members and society, promoting healthier eating and more sustainable consumption".*

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Lines extracted from the **CONSOLIDATED INCOME STATEMENT OF EROSKI GROUP** **Year ended 31 January 2021**	2020	Ev on previous year
GROSS SALES (inc. VAT)	5,377	102.1 %
EBITDA	331	126.0 %
OPERATING PROFIT *	252	130.2 %
RESULT AFTER TAX	-77.56	-171.7 %

* Before impairment and financial items

About EROSKI

EROSKI is the first distribution group of the cooperative type in Spain and a leading operator in the North of the Spanish market, which comprises, amongst other regions, Galicia, Basque Country, Navarre, Catalonia and the Balearic Islands. It has a commercial network of 1,624 stores, including supermarkets, hypermarkets and cash & carry; in addition to petrol stations, optical shops, travel agencies and sports shops as well as its online supermarket. It also has more than 6 million Customer Members and more than 33,000 cooperative members, workers and franchisees.

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