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Elorrio, Spain / 14 November 2023

**ANNOUNCEMENT: This announcement is not a prospectus for the purposes of Regulation (EU) 2017/1129 (the "Prospectus Regulation").**

## **Eroski, S. Coop., Announces Inaugural Offering of Senior Secured Notes due 2029**

(Elorrio, Spain) 14 November 2023 – Eroski, S. Coop. (the "**Company**"), a leading grocery cooperative in Spain with a focus on delivering quality local products, announced today that it is launching an offering of €500 million aggregate principal amount of fixed rate senior secured notes due 2029 (the "**Notes**"). The Notes will be senior secured obligations of the Company and will be guaranteed by certain of the Company's subsidiaries. Interest will be payable semi-annually. The interest rate, offering price and principal amount of the Notes along with certain other terms will be determined at the time of pricing of the offering, subject to market conditions. The net proceeds of the offering, along with proceeds from certain financial instruments as well as the net proceeds from the future sale of certain real estate properties will be used for the refinancing of certain existing debt, the payment of accrued interest and to pay related fees and expenses. The Notes will rank senior in right of payment to all of the Company's existing and future indebtedness that are subordinated or subordinated by operation of law in right of payment to the Notes, including the existing AFSEs and the OSEs, and will rank *pari passu* in right of payment with the Company's existing and future obligations that are not so subordinated (save for such obligations as may be preferred by provisions of law that are both mandatory and of general application).

There can be no assurance that the offering will be completed.

### ***Recent Developments***

Based on preliminary results derived from unaudited monthly management accounts and other information currently available, the Company estimates that its revenue (i) for the eight-month period from February 1, 2023 to September 30, 2023 increased to €3,431 million from €3,148 million for the eight-month period from February 1, 2022 to September 30, 2022, representing an estimated increase of 9%, or €283 million, and (ii) for the last twelve months ended September 30, 2023 increased to approximately €5,112 million from €4,695 million for the last twelve months ended September 30, 2022, representing an estimated increase of approximately 9%, or €417 million. This increase was primarily driven by an increase in consumer activity in response to the Group's pricing policy, including discount promotions and price containment in response to food inflation.

Based on preliminary results derived from unaudited monthly management accounts and other information currently available, the Company estimates that its Adjusted EBITDA pre-IFRS 16 (i) for the eight-month period from February 1, 2023 to September 30, 2023 increased to approximately €226

million from €179 million for the eight-month period from February 1, 2022 to September 30, 2022, representing an estimated increase of approximately 26%, or €47 million, and (ii) for the last twelve months ended September 30, 2023 increased to approximately €328 million from €260 million for the last twelve months ended September 30, 2022, representing an estimated increase of approximately 26% or €68 million. This was primarily attributable to increased revenues for the reasons detailed above and continued effort to improve cost efficiency.

*The unaudited preliminary financial results for the periods presented above are derived from estimates contained in the Company's unaudited management accounts, which have not been and will not be audited or reviewed in accordance with any generally accepted auditing standards and are subject to change. The unaudited preliminary financial results presented above reflect certain estimates of the Company's management but involves a number of risks and uncertainties which could cause the Company's actual results to differ materially from those set forth above and from past results, performance or achievements and are not intended to be a comprehensive statement of the Group's financial or operational results for the periods presented and is based on a number of assumptions and management estimates that are subject to inherent uncertainties and risks. In the course of preparing and finalizing unaudited financial statements for the nine months ended October 31, 2023, the preliminary financial information for August and September 2023 will be subject to change and the Company may identify items that will require it to make adjustments to its preliminary estimates described above.*

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## **For Addition Information, Contact:**

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## **About Eroski**

Eroski was founded in 1969 in the Basque Country and continues to be a leading food retailer across Spain based on market share. In particular, Eroski is the number one food retailer in the northern Spanish regions of Basque Country, Navarra and the Balearic Islands (2022) and the number four food retailer in all of Spain with approximately 1,500 physical store locations, more than 600 franchises and more than 29,000 employees. We also operate an online supermarket introduced in 2000, a proprietary phone application that has been downloaded more than 400,000 times in 2022 and more than 140 preparation centers for managing the logistics of online orders. The Company's omnichannel offering and multiformat business model generated €4.8 billion in revenues (2022).

Eroski's corporate status as a cooperative organization creates strong brand awareness, high levels of consumer and employee loyalty and unique ties to local communities and suppliers. Eroski is the only food retailer in Spain to offer a gold card subscription service, which further promotes brand loyalty by providing greater discounts and savings for its customers. There are approximately 160,000 holders of the EROSKI gold card which generated approximately €800 million in recurring sales (2022). There are approximately 5 million EROSKI loyalty club members across Spain; approximately 70% of its revenue (2022) were attributable to its loyalty club members. Of its 3,745 commercial suppliers, over 95% were Spanish and approximately 60% are local agri-food producers. We combine its national reach with a local footprint to offer affordable and quality groceries to all of its customers.

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The offering is being made by means of an offering memorandum. This announcement is for information purposes only and does not constitute a prospectus or any offer to sell or the solicitation of an offer to buy any security in the United States of America or in any other jurisdiction. The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), and may not be offered or sold in the United States of America absent registration or an exemption from registration under the Securities Act. The Notes will be offered in a private offering exempt from the registration requirements of the Securities Act and will accordingly be offered only to: (i) qualified institutional buyers pursuant to Rule 144A under the Securities Act and (ii) certain persons outside the United States in compliance with Regulation S under the Securities Act.

This communication is not being distributed by, nor has it been approved for the purposes of section 21 of the Financial Services and Markets Act 2000, as amended (the "FSMA") by a person authorized under the FSMA. Accordingly, this communication is only being distributed to and is only directed at persons who: (i) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Financial Promotion Order"), (ii) are persons falling within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc.") of the Financial Promotion Order, (iii) are outside the United Kingdom, or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "Relevant Persons"). Accordingly, by accepting this communication, the recipient warrants and acknowledges that it is such a Relevant Person. This communication is directed only at Relevant Persons and must not be acted or relied upon by persons who are not Relevant Persons. Any investment or investment activity to which this communication relates will be available only to Relevant Persons and will be engaged in only with Relevant Persons. Any person who is not a Relevant Person should not take any action based upon this communication and should not rely on it.

Prohibition of sales to EEA retail investors: If offered, the securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of the following: (i) a "retail client" as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); or (ii) a customer within the meaning of Directive 2016/97/EU (as amended, the "Insurance Distribution Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

Prohibition of sales to UK retail investors: If offered, the securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("EUWA"); or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA. No key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "UK PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the United Kingdom has been prepared and, therefore, offering or selling the Notes or otherwise making them available to any retail investor in the United Kingdom may be unlawful under the UK PRIIPs Regulation.

This announcement contains forward-looking statements. These statements are based on the current views, expectations, assumptions and information of the management of the Group. Forward-looking statements should not be construed as a promise of future results and developments and involve known and unknown risks and uncertainties. Various factors could cause actual future results, performance or events to differ materially from those described in these statements, and neither the Group nor any other person accepts any responsibility for the accuracy of the opinions expressed in this announcement or the underlying assumptions. Moreover, it should be noted that all forward looking statements only speak as of the date of this announcement and that the Group, without prejudice to its obligations under applicable law in relation to disclosure and ongoing information, does not assume any obligations to update any forward-looking statements.

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