

## **Eroski, S.Coop and its subsidiaries**

Report on limited review of  
condensed consolidated interim financial statements  
for the six-month period ended 31 July 2024  
Consolidated interim management report



***"This version of our report is a free translation of the original, which was prepared in Spanish. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation."***

## Report on limited review of condensed consolidated interim financial statements

To the shareholders of Eroski, S.Coop

### Introduction

We have performed a limited review of the accompanying condensed consolidated interim financial statements (hereinafter, the interim financial statements) of Eroski, S.Coop (hereinafter, the Parent company) and its subsidiaries (hereinafter, the Group), which comprise the statement of financial position as at 31 July 2024, and the income statement, statement of comprehensive income, statement of changes in equity, cash flow statement and related notes, all condensed and consolidated, for the six-month period then ended. The Parent company's directors are responsible for the preparation of these interim financial statements in accordance with the requirements of International Accounting Standard (IAS) 34, Interim Financial Reporting, as adopted by the European Union, for the preparation of condensed interim financial statements, as provided in Article 12 of Royal Decree 1362/2007. Our responsibility is to express a conclusion on these interim financial statements based on our limited review.

### Scope of review

We conducted our limited review in accordance with International Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A limited review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A limited review is substantially less in scope than an audit conducted in accordance with legislation governing the audit practice in Spain and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on these interim financial statements.

### Conclusion

Based on our limited review, that cannot be considered as an audit, nothing has come to our attention that causes us to believe that the accompanying interim financial statements for the six-month period ended 31 July 2024 have not been prepared, in all material respects, in accordance with the requirements of International Accounting Standard (IAS) 34, Interim Financial Reporting, as adopted by the European Union, as provided in Article 12 of Royal Decree 1362/2007, for the preparation of condensed interim financial statements.

### Emphasis of matter

We draw attention to the accompanying note 2, in which it is mentioned that these interim financial statements do not include all the information required in a complete set of consolidated financial statements prepared in accordance with International Financial Reporting Standards, as adopted by the European Union, and therefore the accompanying interim financial statements should be read together with the consolidated annual accounts of the Group for the year ended 31 January 2024. Our conclusion is not modified in respect of this matter.

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1



*Other matters*

*Consolidated interim management report*

The accompanying consolidated interim management report for the six-month period ended 31 July 2024 contains the explanations which the Parent company's directors consider appropriate regarding the principal events of this period and their impact on the interim financial statements presented, of which it does not form part, as well as the information required under the provisions of Article 15 of Royal Decree 1362/2007. We have verified that the accounting information contained in this management report is in agreement with that of the interim financial statements for the six-month period ended 31 July 2024. Our work as auditors is limited to checking the consolidated interim management report in accordance with the scope mentioned in this paragraph and does not include a review of information other than that obtained from Eroski, S.Coop and its subsidiaries' accounting records.

*Preparation of this review report*

This report has been prepared at the request of the Board of Governors de Eroski, S.Coop in relation to the publication of the half-yearly financial report required by Article 100 of Law 6/2023, of March 17, on Securities Markets and Investment Services.

PricewaterhouseCoopers Auditores, S.L.

Original in Spanish signed by Jon Toledano Irigoyen

30 September 2024

# Eroski, S. Coop. and Subsidiaries

(Condensed Interim Consolidated Financial Statements  
for the six-month period ended 30 July 2024)

EROSKI, S. COOP. AND SUBSIDIARIES

Condensed interim Consolidated  
Statement of Financial Position  
at 31 July 2024

(Thousand euro)

<u>Assets</u>	Note	31.07.2024	31.01.2024	<u>Equity</u>	Note	31.07.2024	31.01.2024
Property, plant and equipment	6	692,633	699,049	Equity	12		
Investment property		30,068	30,190	Capital		315,967	324,804
Rights of use	8	746,349	798,875	Share premium		3,808	3,808
Goodwill and other intangible assets	7	852,107	850,004	Capitalised funds		95,525	95,525
Equity-accounted investments		6,880	7,837	Other comprehensive income		30,757	27,925
Trade and other receivables	10	3,670	9,517	Retained earnings		(237,702)	(261,888)
Financial assets	9	139,871	154,511	Interim dividend paid out during the year		<u>(3,262)</u>	<u>(6,341)</u>
Deferred tax assets	14	261,789	271,590	Equity attributed to holders of parent company's equity instruments		205,093	183,833
Uncalled share capital		<u>300</u>	<u>477</u>	Non-controlling interests		<u>362,874</u>	<u>355,030</u>
<b>Total non-current assets</b>		<b><u>2,733,667</u></b>	<b><u>2,822,050</u></b>	<b>Total equity</b>		<b><u>567,967</u></b>	<b><u>538,863</u></b>
Inventories		464,949	428,659	<u>Liabilities</u>			
Financial assets	9	16,168	20,112	Financial liabilities	13	1,640,896	1,719,060
Trade and other receivables	10	162,933	160,507	Provisions		28,552	28,810
Current income tax assets		12,193	9,472	Other non-current liabilities		14,124	13,839
Called-up share capital		3,636	2,500	Deferred tax liabilities	14	<u>149,719</u>	<u>158,156</u>
Cash and cash equivalents		210,694	167,729	<b>Total non-current liabilities</b>		<b><u>1,833,291</u></b>	<b><u>1,919,865</u></b>
Non-current assets held for sale	11	<u>3,897</u>	<u>13,640</u>	Financial liabilities	13	245,814	225,800
<b>Total current assets</b>		<b><u>874,470</u></b>	<b><u>802,619</u></b>	Trade and other payables		942,583	932,177
				Current tax liabilities		<u>18,482</u>	<u>7,964</u>
				<b>Total current liabilities</b>		<b><u>1,206,879</u></b>	<b><u>1,165,941</u></b>
				<b>Total liabilities</b>		<b><u>3,040,170</u></b>	<b><u>3,085,806</u></b>
<b>Total assets</b>		<b><u>3,608,137</u></b>	<b><u>3,624,669</u></b>	<b>Total equity and liabilities</b>		<b><u>3,608,137</u></b>	<b><u>3,624,669</u></b>

EROSKI, S. COOP. AND SUBSIDIARIES

Condensed Interim Consolidated Income Statement  
for the six-month period ended  
31 July 2024

(Thousand euro)

	Note	31.07.2024	31.07.2023
Continuing operations			
Revenue	4	2,606,983	2,526,702
Other income		140,176	142,977
Own work capitalised under non-current assets		232	124
Consumption of raw materials and consumables		(1,934,770)	(1,860,486)
Staff costs		(361,551)	(346,641)
Depreciation/amortisation charges		(137,675)	(134,548)
(Impairment)/Reversal of impairment of non-current assets		1,404	1,546
Other expenses		<u>(191,949)</u>	<u>(187,725)</u>
Profit before net financial income/(expense) and taxes		<u>122,850</u>	<u>141,949</u>
Financial income	15	7,644	5,992
Financial expenses	15	(67,980)	(64,506)
Share of profit for the year of equity-accounted investments		<u>108</u>	<u>1,272</u>
Profit/(loss) from continuing operations before tax		62,622	84,707
Profit/(loss) from discontinued operations before tax		<u>-</u>	<u>-</u>
Income tax income/(expense)		<u>(12,437)</u>	<u>(14,821)</u>
Profit/(loss) for the period from continuing operations		50,185	69,886
Profit/(loss) for the period from discontinued operations		<u>-</u>	<u>-</u>
<b>Profit/(loss) for the period</b>		<b><u>50,185</u></b>	<b><u>69,886</u></b>
Profit/(loss) for the period attributable to holders of parent company's equity instruments			
Continuing operations		26,960	48,676
Discontinued operations		<u>-</u>	<u>-</u>
		<u>26,960</u>	<u>48,676</u>
Profit/(loss) for the period attributable to non-controlling interests			
Continuing operations		23,225	21,210
Discontinued operations		<u>-</u>	<u>-</u>
		<u>23,225</u>	<u>21,210</u>

EROSKI, S. COOP.  
AND SUBSIDIARIES

Condensed Interim Consolidated  
Statement of Comprehensive Income  
for the six-month period ended  
31 July 2024

(Thousand euro)

	<u>31.07.2024</u>	<u>31.07.2023</u>
Profit/(loss) for the period	<u>50,185</u>	<u>69,886</u>
Other comprehensive income		
Items that will be reclassified to profit or loss		
Gains/(losses) on equity instruments carried at fair value through other comprehensive income	2,836	(706)
Tax effect	-	-
Share of net income/(net expenses) of equity-accounted investments recognised in equity	<u>-</u>	<u>-</u>
Other comprehensive income for the period	<u>2,836</u>	<u>(706)</u>
<b>Total comprehensive income for the period</b>	<b><u>53,021</u></b>	<b><u>69,180</u></b>
Total comprehensive income attributable to:		
Holders of parent company's equity instruments	29,792	47,969
Non-controlling interests	<u>23,229</u>	<u>21,211</u>
	<b><u>53,021</u></b>	<b><u>69,180</u></b>

EROSKI, S. COOP.  
AND SUBSIDIARIES

Condensed Interim Consolidated Statement of Changes in Equity  
for the six-month period ended 31 July 2024  
(Thousand euro)

Equity attributed to holders of parent company's equity instruments

	Capital	Share premium	Capitalised funds	Capitalised funds acquired	Equity instruments carried at fair value	Cumulative gains	Interim dividend	Total	Non-controlling interests	Total equity
<b>Balance at 31 January 2024</b>	<b>324,804</b>	<b>3,808</b>	<b>125,372</b>	<b>(29,847)</b>	<b>27,925</b>	<b>(261,888)</b>	<b>(6,341)</b>	<b>183,833</b>	<b>355,030</b>	<b>538,863</b>
<b>Total comprehensive income for the year</b>	-	-	-	-	2,832	26,960	-	29,792	23,229	53,021
Distribution of results										
To dividends	-	-	-	-	-	(6,341)	6,341	0	(15,400)	(15,400)
Increases due to new contributions	3,224	-	-	-	-	798	-	4,022	-	4,022
Withdrawal of members	(12,061)	-	-	-	-	2,480	-	(9,581)	-	(9,581)
Interim dividend (Note 12)	-	-	-	-	-	-	(3,262)	(3,262)	-	(3,262)
Other movements	-	-	-	-	-	289	-	289	15	304
<b>Balance at 31 July 2024</b>	<b>315,967</b>	<b>3,808</b>	<b>125,372</b>	<b>(29,847)</b>	<b>30,757</b>	<b>(237,702)</b>	<b>(3,262)</b>	<b>205,093</b>	<b>362,874</b>	<b>567,967</b>

Equity attributed to holders of parent company's equity instruments

	Capital	Share premium	Capitalised funds	Capitalised funds acquired	Equity instruments carried at fair value	Cumulative gains	Interim dividend	Total	Non-controlling interests	Total equity
<b>Balance at 31 January 2023</b>	<b>332,939</b>	<b>3,808</b>	<b>125,372</b>	<b>(29,847)</b>	<b>26,238</b>	<b>(309,871)</b>	<b>(2,206)</b>	<b>146,433</b>	<b>213,025</b>	<b>359,458</b>
<b>Total comprehensive income for the year</b>	-	-	-	-	(707)	48,676	-	47,969	21,211	69,180
Distribution of results										
To dividends	-	-	-	-	-	(2,206)	2,206	-	(21,300)	(21,300)
Increases due to new contributions	1,187	-	-	-	-	292	-	1,479	-	1,479
Withdrawal of members	(10,364)	-	-	-	-	2,807	-	(7,557)	-	(7,557)
Transfers	-	-	-	-	-	-	-	-	120,221	120,221
Interim dividend (Note 12)	-	-	-	-	-	-	(3,137)	(3,137)	-	(3,137)
Other movements	-	-	-	-	-	(53)	-	(53)	-	(53)
<b>Balance at 31 July 2023</b>	<b>323,762</b>	<b>3,808</b>	<b>125,372</b>	<b>(29,847)</b>	<b>25,531</b>	<b>(260,355)</b>	<b>(3,137)</b>	<b>185,134</b>	<b>333,157</b>	<b>518,291</b>

EROSKI, S. COOP. AND SUBSIDIARIES

Condensed Interim Consolidated Cash Flow Statement  
(Indirect method)  
for the six-month period ended  
31 July 2024

(Thousand euro)

	31.07.2024	31.07.2023
<b>Cash flows from operating activities</b>		
Profit for the year before tax	62,622	84,707
<i>Adjustments for:</i>		
Depreciation	137,675	134,548
(Reversal of) impairment losses	261	104
Change in provisions	9	5
Exchanges (gains)/losses	1	29
Financial income	(7,644)	(5,266)
Financial expenses	65,374	62,649
Share of profit/(loss) of equity-accounted investments	(108)	(1,272)
Net profit/(loss) from sales of property, plant and equipment, investment property and other intangible assets	(2,729)	(822)
Profit/(loss) due to loss of control of a subsidiary	-	(7,665)
Profit/(loss) on write-offs and disposals of financial instruments	97	(726)
(Profit)/(loss) on non-current assets held for sale	(119)	-
Release of grants to income statement	(454)	(199)
	<b>254,985</b>	<b>266,092</b>
Changes in working capital:		
Increase/decrease in trade and other receivables	(170)	(9,761)
Increase/(decrease) in inventories	(14,537)	(40,628)
Increase/decrease in trade and other payables	33,343	22,784
Increase/decrease in provisions	(251)	(111)
Increase/decrease in other non-current assets and liabilities	54	599
<b>Cash generated from operations</b>	<b>273,424</b>	<b>238,975</b>
Corporate income tax received/(paid)	(1,387)	(1,774)
<b>Net cash generated from operating activities</b>	<b>272,037</b>	<b>237,201</b>
<b>Cash flows from investing activities</b>		
From sale of property, plant and equipment	7,057	7,975
From sale of intangible assets	2	31
From sale of non-current assets held for sale	10,725	-
From sale of financial assets	2,631	4,122
Dividends received	1,359	-
Interest received	6,785	5,528
Proceeds from sale of subsidiaries, net of cash and cash equivalents	-	9,575
Acquisition of property, plant and equipment	(63,055)	(57,513)
Acquisition of intangible assets	(7,446)	(3,804)
Acquisition of investment property	(67)	(30)
Payments for investments in associates and joint ventures	(1)	(1,547)
Payments for acquisition of subsidiaries, net of cash and cash equivalents	(31)	-
Acquisition of other financial assets	(2,127)	(18,575)
<b>Net cash generated from investing activities</b>	<b>(44,168)</b>	<b>(54,238)</b>
<b>Cash flows from financing activities</b>		
From issuance of capital	2,887	1,588
Redemption of treasury shares and other own equity instruments	(6,639)	(4,309)
Payments for purchase of non-controlling interests	(45)	-
From grants	416	105
Receipts from issuance of bonds and other negotiable securities	22,900	-
Receipts of bank borrowings	364	-
From other financial liabilities	-	5,350
Payments from bonds and other negotiable securities	(5,000)	-
Reimbursement of bank borrowings	(18,438)	(35,010)
Reimbursement of other financial liabilities	(3,172)	(733)
Reimbursement of lease liabilities	(93,176)	(87,920)
Interest paid	(60,601)	(41,668)
Dividends paid	(24,400)	(12,000)
<b>Net cash generated from financing activities</b>	<b>(184,904)</b>	<b>(174,597)</b>
Net increase/(decrease) in cash and cash equivalents	42,965	8,366
Cash and cash equivalents at 1 February	<b>167,729</b>	<b>216,033</b>
<b>Cash and cash equivalents at 31 July</b>	<b>210,694</b>	<b>224,399</b>

## EROSKI, S. COOP. AND SUBSIDIARIES

Notes to the Condensed Interim Consolidated Financial Statements  
for the six-month period  
ended 31 July 2024

(1) The Group's nature, activities and composition

Eroski, S. Coop. (the Company or Eroski), the parent company of the Eroski Group (the Group or the Eroski Group), was incorporated for an open-ended period in Spain on 11 August 1969. Its registered office is at Barrio San Agustín, s/n, 48230, Elorrio (Bizkaia), Spain. Eroski, S. Coop. is the parent company and has specially-protected-cooperative status. Eroski, S. Coop. is also the entity that ultimately controls the Group.

Eroski, S. Coop.'s business name has not changed since the previous year-end.

The Company's corporate purpose, carried on in Spain, is to procure goods and services for members and their families under the best possible quality, information and price conditions. These goods and services may be produced by the Company or acquired from third parties and comprise the following categories:

- a) Supplies of consumer goods, clothing, furniture and other household items.
- b) Sundry services, such as restaurants, transport, hospitalisation and other similar services.
- c) Cultural supplies, services and activities.

The Company also engages in activities to promote and defend the legitimate interests of consumers and to foster job creation, having set up an internal cooperative labour organisation for such purposes. To accomplish these objectives, the Company has cooperation and participation agreements with other companies.

The Company is primarily engaged in retailing all types of consumer goods through its own commercial network in Spain, which, at 31 July 2024, comprises: 36 Eroski Hypermarkets, 477 Eroski Supermarkets (Eroski/Center and Eroski/City), 77 Familia establishments, 169 Caprabo establishments, 40 Eroski service stations, 1 Caprabo service station, 17 Cash & Carry stores, 639 franchised stores, 48 Forum Sport stores and 17 Dooers stores. The Group is also engaged in property development and still owns certain real estate assets that are to be realised once the necessary activities and developments have been completed. This activity has an operating cycle spanning over 12 months.

Information on the Company's subsidiaries, jointly-controlled entities and associates is set out in Appendices I and II, which form an integral part of this note. None of the parent company's investees is listed on the stock exchange.

## EROSKI, S. COOP. AND SUBSIDIARIES

Notes to the Condensed Interim Consolidated Financial Statements  
for the six-month period  
ended 31 July 2024Consolidation scope changes

Consolidation scope changes during the six-month period ended 31 July 2024 are described below:

- 2% increase in the ownership interest in Desarrollos Comerciales de Ocio e Inmobiliarios de Orense, S.A., from 98% to 100%. This scope change did not affect the consolidation method applied to the investee.
- 50% increase in the ownership interest in Desarrollos Comerciales y de Ocio Algeciras, S.L. (from 50% to 100%) and 50.5% increase in the ownership interest in Llanos de San Julián, S.A. (from 49.5% to 100%). In both cases, the consolidation method was changed from equity to full consolidation. The effect of these transactions was immaterial at the consolidated level.

In 2023, the vertical merger of the Group company Inmobiliaria Recaré, S.A. into Cecosa Hipermercados, S.L. was completed, having been approved by Cecosa Hipermercados, S.L.'s "Universal" Extraordinary General Shareholders' Meeting on 2 October 2023. In addition, the company Jactus Spain, S.L.U. was liquidated on 29 December 2023.

On 28 February 2023, the 100% ownership interest in the company Viajes Eroski S.A. was sold to a third party at a net profit of €7,665 thousand, recognised under "Other income" in the condensed interim consolidated income statement at 31 July 2023.

(2) Basis of presentation

The condensed interim consolidated financial statements have been prepared on the basis of the accounting records of Eroski, S. Coop. and of the Group companies in accordance with IAS 34 "Interim Financial Reporting", as adopted by the European Union (IFRS-EU). In accordance with the said standard, interim financial information is prepared solely to update the content of the latest consolidated annual accounts issued by the Group, placing emphasis on new activities, events and circumstances that occurred during the half year, and not duplicating the information previously disclosed in the consolidated annual accounts for the financial year ended 31 January 2024. Accordingly, these condensed interim consolidated financial statements must be read together with the consolidated annual accounts for the financial year ended 31 January 2024, drawn up in accordance with IFRS-EU, to ensure an adequate understanding of the information.

The consolidated annual accounts for the financial year ended 31 January 2024 were approved by the General Assembly on 30 May 2024. The condensed interim consolidated financial statements for the six-month period ended 31 July 2024 were issued by Eroski S.Coop.'s Governing Board on 27 September 2024.

The information included in the notes to the accounts is expressed in thousands of euros, unless otherwise indicated.

## EROSKI, S. COOP. AND SUBSIDIARIES

Notes to the Condensed Interim Consolidated Financial Statements  
for the six-month period  
ended 31 July 2024(a) Basis of presentation of the condensed interim consolidated financial statements

These condensed interim consolidated financial statements have been drawn up applying the historical cost principle, with the following exceptions:

- Financial assets at fair value through profit or loss and at fair value through other comprehensive income.
- Non-current assets and disposal groups held for sale are carried at the lower of their carrying amount and fair value less costs to sell or otherwise dispose of the assets.

(d) Comparability

The information contained in these half-yearly condensed consolidated financial statements for the six-month period ended 31 July 2023 is presented solely and exclusively for purposes of comparison with the information for the six-month period ended 31 July 2024.

(c) Relevant accounting estimates, assumptions and judgements used when applying accounting principles

The preparation of the condensed interim consolidated financial statements in accordance with IFRS-EU requires the application of significant accounting estimates and judgements, and judgements, estimates and assumptions, when applying the Group's accounting policies. In this regard, when preparing these interim financial statements, no significant changes were made to the accounting judgements and estimates made by Group management in the consolidated annual accounts for the financial ended 31 January 2024.

Although the estimates made by the Company's directors have been calculated on the basis of the best information available at 31 July 2024, future events may cause changes in the coming years. The effect of any changes that may arise from adjustments to be made in the coming years will be reflected on a prospective basis.

## EROSKI, S. COOP. AND SUBSIDIARIES

Notes to the Condensed Interim Consolidated Financial Statements  
for the six-month period  
ended 31 July 2024

(d) Materiality

When deciding how to recognise, measure, classify or disclose information on the items in the condensed interim consolidated financial statements, the Group assesses the materiality of the half-yearly financial data.

(e) Working capital

The Group's working capital, defined as the difference between current assets and current liabilities (falling due in less than 12 months, in both cases), is usually negative, which is explained by the ordinary business cycle, since the average life cycle of receivables is shorter than the average life cycle of payables, this being common practice in the Group's industry.

(3) Relevant accounting principles applied

When preparing the condensed interim consolidated financial statements, the same accounting principles and measurement standards were applied as are described in the Group's consolidated annual accounts at 31 January 2024, drawn up under IFRS-EU and the interpretations (IFRIC) adopted by the European Union (IFRS-EU). The Group has not early adopted any published standard, amendment or interpretation published that is not yet in force.

(a) Standards, amendments and interpretations mandatory for all financial years commencing on or after 1 January 2024

**IFRS 16 (Amendment) "Lease liability in a sale and leaseback"**: IFRS 16 includes requirements on how to account for a sale and leaseback on the transaction date. However, it did not specify how to recognise the transaction following that date. This amendment explains how a company must account for a sale and leaseback after the transaction date.

This standard approved by the European Union for application on 1 January 2024 had no material effect on the Eroski Group's condensed interim consolidated financial statements.

## EROSKI, S. COOP. AND SUBSIDIARIES

Notes to the Condensed Interim Consolidated Financial Statements  
for the six-month period  
ended 31 July 2024

**IAS 1 (Amendment) “Classification of liabilities as current or non-current” and IAS 1 (Amendment) “Non-current liabilities with covenants”**: These amendments, simultaneously adopted by the European Union, clarify that liabilities are classified as current or non-current, depending on the rights existing at the end of the reporting period. Classification is not affected by the entity's expectations or by events after the reporting period (for example, the receipt of a waiver or a breach of the agreement).

The amendment also clarifies what IAS 1 refers to by the "settlement" of a liability.

In addition, the amendment aims to improve the information disclosed when the right to defer payment of a liability is subject to the fulfilment of covenants within 12 months as from the end of the reporting period.

This amendment is in force for periods beginning on or after 1 January 2024 and applies retrospectively, in accordance with IAS 8 “Accounting Policies, changes in accounting estimates and errors”. They may be early adopted.

This standard approved by the European Union for application on 1 January 2024 had no material effect on the Eroski Group's condensed interim consolidated financial statements.

**IAS 7 (Amendment) and IFRS 7 (Amendment) “Supplier finance arrangements (“reverse factoring”)**: The IASB has amended IAS 7 and IFRS 7 to improve disclosures on supplier finance arrangements (“reverse factoring”) and their effects on an entity's liabilities, cash flows and exposure to liquidity risk. The amendment responds to investor concerns that some entities have supplier finance arrangements which are not sufficiently visible.

This amendment is in force in financial years starting on or after 1 January 2024. Earlier application of the amendment is permitted.

The effect of this standard approved by the European Union for application on 1 January 2024 will be assessed at the year-end.

- (b) Standards, interpretations and amendments to existing standards that cannot be early adopted or have not been adopted by the European Union

As of the date of authorisation for issue of these consolidated annual accounts, the IASB and IFRIC had published the standards, amendments and interpretations described below, which are pending adoption by the European Union.

## EROSKI, S. COOP. AND SUBSIDIARIES

Notes to the Condensed Interim Consolidated Financial Statements  
for the six-month period  
ended 31 July 2024

IFRS 10 (Amendment) and IAS 28 (Amendment) "Sale or contribution of assets between an investor and its associate or joint venture".

IAS 21 (Amendment) "Lack of exchangeability".

IFRS 18 "Presentation and disclosure in financial statements".

IFRS 19 "Subsidiaries without public accountability: Disclosures".

Amendments to IFRS 9 and IFRS 7 "Amendments to the classification and measurement of financial instruments".

The application of the above-mentioned amendments is not expected to have a material effect on the Group's consolidated annual accounts.

(4) Segment reporting

The Group identifies operating segments on the basis of its various products and services. The Eroski Group's main operating segments at 31 July 2024 are as follows:

- Food: includes the distribution of consumer products through supermarkets, hypermarkets and service stations.
- Real estate: includes real estate developments for the sale and/or operation of shopping centres.
- Other: other lines of business such as the sale of sports equipment and other minor lines.

Inter-segment selling prices follow the normal commercial terms and conditions that are available to unrelated third parties.

Total assets by segment have not changed significantly compared to the consolidated annual accounts for the financial year ended 31 January 2024.

## EROSKI, S. COOP. AND SUBSIDIARIES

Notes to the Condensed Interim Consolidated Financial Statements  
for the six-month period  
ended 31 July 2024

Set out below is a breakdown of revenue by segment and the reconciliation to profit/(loss) for the periods ended 31 July 2024 and 31 July 2023:

	Food		Real estate		Other segments		Other transactions		Consolidated data	
	31.07.2024	31.07.2023	31.07.2024	31.07.2023	31.07.2024	31.07.2023	31.07.2024	31.07.2023	31.07.2024	31.07.2023
Revenue from external customers	2,544,667	2,465,953	8,514	6,323	53,802	54,426	-	-	2,606,983	2,526,702
Inter-segment revenue	-	-	-	-	7	147	(7)	(147)	-	-
Total segment revenue	<u>2,544,667</u>	<u>2,465,953</u>	<u>8,514</u>	<u>6,323</u>	<u>53,809</u>	<u>54,573</u>	<u>(7)</u>	<u>(147)</u>	<u>2,606,983</u>	<u>2,526,702</u>
Segment profit/(loss)	<u>112,806</u>	<u>135,500</u>	<u>1,707</u>	<u>381</u>	<u>(1,775)</u>	<u>6,477</u>	<u>10,112</u>	<u>(409)</u>	<u>122,850</u>	<u>141,949</u>
Unallocated profit/(loss)									(60,228)	(57,242)
Profit before tax									62,622	84,707
Income tax									(12,437)	(14,821)
Profit for the period from continuing operations									50,185	69,886
Profit from discontinued operations after tax									-	-
Profit for the period									<u>50,185</u>	<u>69,886</u>

“Unallocated profit/(loss)” refers to financial expenses and income, and to the share of profit/(loss) for the period of equity-accounted associates.

The accompanying notes form an integral part of the condensed interim consolidated financial statements for the six-month period ended 31 July 2024.

## EROSKI, S. COOP. AND SUBSIDIARIES

Notes to the Condensed Interim Consolidated Financial Statements  
for the six-month period  
ended 31 July 2024

The following table provides a breakdown of the Group's revenue by geographic market and type of service, as well as a reconciliation of the disaggregated revenue with the Group's segments:

<u>Thousand euro</u>	Segments									
	Food		Real estate		Other segments		Other transactions		Consolidated data	
	31.07.2024	31.07.2023	31.07.2024	31.07.2023	31.07.2024	31.07.2023	31.07.2024	31.07.2023	31.07.2024	31.07.2023
<b><u>Main geographic markets</u></b>										
Basque Country	800,849	786,466	497	330	31,897	31,883	(7)	(147)	833,236	818,532
Galicia	635,866	599,321	1,199	1,069	571	490	-	-	637,636	600,880
Catalonia	335,081	342,419	11	29	1,063	1,078	-	-	336,155	343,525
Balearic Islands	306,003	285,828	-	-	-	-	-	-	306,003	285,828
Navarre	159,924	155,327	810	687	3,556	3,720	-	-	164,290	159,735
Other	<u>306,944</u>	<u>296,592</u>	<u>5,997</u>	<u>4,208</u>	<u>16,722</u>	<u>17,402</u>	-	-	<u>329,663</u>	<u>318,202</u>
	<u>2,544,667</u>	<u>2,465,953</u>	<u>8,514</u>	<u>6,323</u>	<u>53,809</u>	<u>54,573</u>	<u>(7)</u>	<u>(147)</u>	<u>2,606,983</u>	<u>2,526,702</u>

The accompanying notes form an integral part of the condensed interim consolidated financial statements for the six-month period ended 31 July 2024.

## EROSKI, S. COOP. AND SUBSIDIARIES

## Notes to the Condensed Interim Consolidated Financial Statements for the six-month period ended 31 July 2024

(5) Seasonality of interim period transactions

The Group's commercial activities and results are affected by a certain degree of seasonality, as the business historically performs better in the second half of the year than in the first half. This is explained mainly by demand during the Christmas campaign. However, this seasonality does not significantly affect the comparability of information and therefore no specific disclosures are required in these explanatory notes to the condensed interim consolidated financial statements as at 31 July 2024.

The real estate segment follows a different pattern, as the realisation of each transaction is subject to individual circumstances and is irregular from one interim period to the next.

(6) Property, plant and equipment

The main movements under this heading during the six-month periods ended 31 July 2024 and 2023 are set out below:

	Thousand euro	
	31.07.24	31.07.23
Balance at 31 January	699,049	741,870
Additions	36,776	32,576
Net disposals	(3,902)	(4,378)
Depreciation	(40,597)	(40,558)
Reversal of impairment	1,307	1,467
Transfers to non-current assets held for sale (Note 11)	-	(13,417)
Transfers	-	(159)
Balance at 31 July	<u>692,633</u>	<u>717,401</u>

The main additions for the period relate to plant, machinery and furniture needed to open and refurbish various centres.

At 31 July 2024, binding commitments have been made to purchase property, plant and equipment in the amount of €7,753 thousand (€7,772 thousand at 31 July 2023).

## EROSKI, S. COOP. AND SUBSIDIARIES

Notes to the Condensed Interim Consolidated Financial Statements for the six-month period ended 31 July 2024

(7) Goodwill and other intangible assets

The commercial policies, business strategy, brand image and management approaches of Gestión Eroski, Gestión Supratuc and Gestión Vegalsa are clearly distinguishable, giving rise to three different ways of managing the food segment.

There follows a breakdown of the Group's most significant goodwill at 31 July 2024 and 31 January 2024, classified as defined above, at the level of the cash-generating units (CGUs):

	Thousand euro	
	Food	
	31.07.2024	31.01.2024
Eroski CGU	391,584	391,584
Supratuc CGU	273,262	273,262
Vegalsa CGU	<u>153,779</u>	<u>153,779</u>
	<u>818,625</u>	<u>818,625</u>

There were no movements under this heading during the six-month period ended 31 July 2024.

Group management has analysed changes in the main assumptions relating to the recoverability of goodwill, having identified no indications of impairment.

(8) Rights of use

The main movements under this heading during the six-month period ended 31 July 2024 are set out below:

- Additions amounting to €33,416 thousand (€60,958 thousand at 31 July 2023) due to changes in estimated future flows following various contract renegotiations in which the lease term was extended and/or the amount of rent was adjusted.
- Additions of €25,591 thousand due to the signing of new contracts by the Group, primarily for new food store openings (€2,231 thousand at 31 July 2023).

## EROSKI, S. COOP. AND SUBSIDIARIES

## Notes to the Condensed Interim Consolidated Financial Statements for the six-month period ended 31 July 2024

- Disposals amounting to approximately €20,934 thousand (€130,252 thousand at 31 July 2023) relating primarily to the expiration of contracts at 31 July 2024 and adjustments to estimated payments under leases renegotiated during the period ended 31 July 2024, together with the write-off of €855 thousand (€982 thousand at 31 July 2023) in accumulated amortisation.
- Amortisation charges amounting to €91,454 thousand (€€89,113 thousand at 31 July 2023).

(9) Financial assets

Current and non-current financial liabilities break down as follows at 31 July 2024 and 31 January 2024:

	Thousand euro			
	31.07.2024		31.01.2024	
	Non-current	Current	Non-current	Current
<b>Financial assets at fair value through other comprehensive income</b>				
Unlisted equity instruments				
Caja Laboral Popular, Coop. de Crédito	45,912	-	43,076	-
Other investments	2,157	-	2,157	-
MCC Inversiones S.P.E., S. Coop.	33,968	-	33,968	-
Other shareholdings	1,897	3	1,897	23
<b>Total</b>	<b>83,934</b>	<b>3</b>	<b>81,098</b>	<b>23</b>
<b>Financial assets at amortised cost</b>				
Loans and other receivables	8,369	2,183	11,720	7,012
Loans to associates and joint ventures	33,574	117	52,955	33,938
Interest accrued on loans to associates and joint ventures	2,623	3,308	2,623	5,685
Receivables due to sales of non-current assets	677	1,124	677	182
Guarantees and deposits furnished	40,962	13,294	40,014	15,754
Other financial assets	168	1,393	168	338
<b>Total</b>	<b>86,373</b>	<b>21,419</b>	<b>108,157</b>	<b>62,909</b>
	<b>170,307</b>	<b>21,422</b>	<b>189,255</b>	<b>62,932</b>
Impairment of loans and other receivables	(7,027)	(2,042)	(9,163)	(6,992)
Impairment of loans to associates	(23,409)	(3,212)	(25,581)	(35,828)
<b>Total financial assets</b>	<b>139,871</b>	<b>16,168</b>	<b>154,511</b>	<b>20,112</b>

The accompanying notes form an integral part of the condensed interim consolidated financial statements for the six-month period ended 31 July 2024.

## EROSKI, S. COOP. AND SUBSIDIARIES

## Notes to the Condensed Interim Consolidated Financial Statements for the six-month period ended 31 July 2024

Returns on financial assets amounted to €7,644 thousand (€5,992 thousand at 31 July 2023).

Current deposits and guarantees given at 31 July 2024 include short-term bank deposits amounting to €11 million.

(10) Trade and other receivables

The breakdown of trade and other receivables at 31 July 2024 and 31 January 2024 is as follows:

	Thousand euro			
	31.07.2024		31.01.2024	
	Non-current	Current	Non-current	Current
Trade receivables for sales and provision of services	-	57,601	-	58,850
Receivables for volume discounts and other promotional contributions	-	63,369	-	67,924
Prepayments to suppliers	-	3,077	5,675	1,699
Advances and loans to employees	-	207	-	214
Advances to Group companies and associates	-	-	-	304
Receivables from associates	-	131	-	226
Sundry receivables	3,670	39,201	3,842	29,977
Taxes refundable	-	13,086	-	16,232
	3,670	176,672	9,517	175,426
Bad debt write-offs	-	(13,739)	-	(14,919)
Total	<u>3,670</u>	<u>162,933</u>	<u>9,517</u>	<u>160,507</u>

(11) Non-current assets held for sale

At 31 July 2024 and 31 January 2024, the balance of non-current assets held for sale includes a hypermarket building for the price of €4 million, net of costs to sell. The relevant agreement stipulates handover during 2024. In addition, at 31 January 2024, a logistics platform was carried as a non-current asset held for sale in the approximate amount of €10 million, the sale having been completed on 20 February 2024. Classification as a non-current asset held for sale did not give rise to any impairment loss, since the carrying amount was below fair value less estimated costs to sell. The capital gain generated at the close of the half-year period ended 31 July 2024 is immaterial.

## EROSKI, S. COOP. AND SUBSIDIARIES

Notes to the Condensed Interim Consolidated Financial Statements for the six-month period ended 31 July 2024

(12) Equity and dividends paid out

The statement of changes in equity includes an analysis of equity showing movements.

a) Cooperative subscribed capital

Cooperative subscribed capital essentially comprises compulsory and voluntary contributions made by both working and consumer members, cooperative returns from profit distributions, capitalisation of interest on contributions and capitalisation of revaluation reserves recognised in accordance with restatement legislation, when available.

The Annual General Assembly of Members approves the amount of the compulsory contributions to be made by new working members. Each financial year, the General Assembly decides whether or not interest is to be paid on working members' contributions, establishing the applicable annual interest rate, which may not exceed 7.5% gross annual interest, nor a percentage of gross ordinary profit if the cooperative meets certain ratios laid down in the Bylaws. In any event, remuneration may not exceed the legal limits and a lower interest rate may be agreed. Remuneration of members' contributions is conditional on the existence of a net profit or of sufficient unrestricted reserves to make payment.

For consumer members, the compulsory contribution is set at €1.20.

Contributions are transferable between members in the same category by *inter vivos* acts, in accordance with the terms and conditions established by the Governing Board, as well as through *mortis causa* succession.

In the event of the loss of member status, the member or his or her successors in title may request reimbursement of their contribution. The value of the contribution will be calculated on the basis of the balance sheet for the financial year in which the member asks to leave. However, by decision of the Governing Board, the compulsory contributions may be reduced by a percentage to be determined on the basis of the reason for the loss of member status. The General Assembly will decide whether or not to reimburse the contributions of departing members.

## EROSKI, S. COOP. AND SUBSIDIARIES

## Notes to the Condensed Interim Consolidated Financial Statements for the six-month period ended 31 July 2024

If the General Assembly does not agree to reimburse the entire amount of the contributions a refund of which has been requested, the following obligations must be met:

- Allocate half of the Cooperative's distributable profit to the Mandatory Reserve Fund.
- Not remunerate the working members' capital contributions.
- Not agree on any return for the working members.
- Where there is a net profit (after offsetting prior-year losses) or there are sufficient reserves available and the Cooperative resolves to pay remuneration below the legal interest rate on contributions the reimbursement of which has not been approved by the General Assembly, it will increase the face value of these contributions by at least an amount equal to the difference between this interest and the interest accrued prior to any remuneration of the working members' capital contributions. The same will apply if no agreement is reached on this matter.

Observing the General Assembly's resolution on the reimbursement of contributions to departing members, the payment period will be determined by the Governing Board, but may not exceed five years as from the date of the General Assembly's reimbursement resolution, and the unpaid contribution may accrue interest at the legal rate.

(b) Capitalised funds

These funds relate entirely to Eroski Subordinated Financial Contributions (ESFCs).

At 31 July 2024, the annual interest rate applied to ESFCs not exchanged in equity was 6.053% (5.868% at 31 July 2023). Interest accrued (treated as dividends on equity instruments) in the amount of €3,262 thousand (€3,137 thousand at 31 July 2023) and is carried under "Interim dividends" in the accompanying condensed interim consolidated statement of financial position. This interest is pending payment at 31 July 2024.

The quoted price of the ESFCs stood at 32.85% of nominal value at 31 July 2024 (33.00% of nominal value at 31 January 2024).

## EROSKI, S. COOP. AND SUBSIDIARIES

## Notes to the Condensed Interim Consolidated Financial Statements for the six-month period ended 31 July 2024

(c) Dividends paid out

The parent company did not pay out any dividends during the six-month periods ended 31 July 2024 or 2023.

(13) Current and non-current financial liabilities

Current and non-current financial liabilities break down as follows:

	Thousand euro			
	31.07.2024		31.01.2024	
	Non-current	Current	Non-current	Current
<b>Financial liabilities at amortised cost</b>				
Financial liabilities due to issuance of bonds and marketable securities	314,214	6,829	312,055	13,308
Other financial liabilities due to issuance of bonds and marketable securities	493,153	26,680	492,614	9,297
Financial liabilities relating to bank borrowings	169,974	34,366	188,456	28,576
Loans from third parties	29,232	4,835	32,046	5,478
Lease liabilities	605,596	171,953	663,954	168,019
Payables to associates	-	-	623	-
Other payables	27,994	1,151	28,579	1,122
Other financial liabilities	733	-	733	-
<b>Total</b>	<b>1,640,896</b>	<b>245,814</b>	<b>1,719,060</b>	<b>225,800</b>

The above-mentioned financial liabilities are carried at amortised cost.

(a) Financial liabilities due to issuance of bonds and marketable securities

This heading includes a part of the Eroski Subordinated Financial Contributions (ESFCs) issued by the Company during the period 2002-2004.

During the six-month period ended 31 July 2024, the amount of €4,077 thousand (€3,931 thousand during the six-month period ended 31 July 2023) accrued on the ESFCs, equivalent to annual interest of 6.553% (6.368% during the six-month period ended 31 July 2023), and is carried under "Financial expenses" in the accompanying condensed interim consolidated income statement (Note 15).

The quoted price of the ESFCs stood at 35.89% of nominal value at 31 July 2024 (40.00% of nominal value at 31 January 2024).

This heading also includes the 2016 Eroski Subordinated Bonds (ESBs) issued by the Company in 2015.

## EROSKI, S. COOP. AND SUBSIDIARIES

## Notes to the Condensed Interim Consolidated Financial Statements for the six-month period ended 31 July 2024

The ESBs accrue annual interest on a daily basis from the payment date to redemption, if applicable. The interest is not conditional on the obtainment of profits, is calculated on the nominal amount of the bonds and is equivalent to the one-year Euribor interest rate plus three percentage points.

On 31 July 2024, interest has accrued in the amount of €6,829 thousand, which is equivalent to an annual interest rate of 6.553%. Financial expenses have been recognised for a total of €8,988 thousand (on 31 July 2023, interest had accrued in the amount of €6,587 thousand, equivalent to an annual interest rate of 6.368%; financial expenses had been recognised for a total of €8,741 thousand), reflecting the effective interest rate of 9.6% at 31 July 2024 (9.6% for the six-month period ended 31 July 2023) (Note 15).

The quoted price stood at 72.25% of nominal value at 31 July 2024 (64.31% of nominal value at 31 January 2024).

(b) Financial liabilities relating to bank borrowings and Other financial liabilities due to issuance of bonds and marketable securities

Financial liabilities relating to bank borrowings are analysed below:

	Thousand euro			
	31.07.2024		31.01.2024	
	Non-current	Current	Non-current	Current
Syndicated loans				
Framework agreement	76,780	22,894	95,848	20,921
Other bank loans and credit facilities	93,194	11,472	92,608	7,655
	<u>169,974</u>	<u>34,366</u>	<u>188,456</u>	<u>28,576</u>

The parent company and other companies of the Eroski Group are jointly and severally liable for the obligations arising from these borrowings and have made commitments to the lender banks to meet a series of financial covenants applicable to the data reported in the consolidated annual accounts and half-yearly consolidated financial statements, as from the 31 January 2024 year-end. The Company's directors consider that the covenants are fulfilled at 31 July 2024.

## EROSKI, S. COOP. AND SUBSIDIARIES

Notes to the Condensed Interim Consolidated Financial Statements for the six-month period ended 31 July 2024

Syndicated loans

In July 2019, the Eroski Group entered into a restructuring framework agreement with a syndicate of lender financial institutions, extending the maturities of borrowings totalling €1,503 million, an amount that was increased in 2019 due to the enforcement of guarantees totalling €28 million given by the Group to related and unrelated companies.

The agreement divided the nominal amount of the Eroski Group's debt into two tranches. One tranche amounted to approximately €1,022 million and accrued interest at the Euribor rate plus 2.5%, while the other amounted to approximately €509 million and accrued a fixed interest rate of 0.5% to 31 July 2024.

As regards the second tranche, the agreement stipulated that €200 million accrued zero interest following the repayment to be made in December 2021, this being the only condition.

The syndicated loan agreement provided for two reductions in the nominal amount of the borrowings, for an approximate total amount of €300 million, subject to the fulfilment of certain conditions in 2022 and 2023. This amount was taken into account in previous years when determining the fair value of the syndicated loan, so it had no effect on consolidated results for the financial year ended 31 January 2024.

The effective interest rate on these borrowings was 4% to 31 July 2022. In 2022, due to the increase in the variable interest rate applicable to the borrowings, the Group re-estimated the new effective interest rate to be 4.5% as from 31 July 2022 and 6% at 31 January 2023. In 2023, the effective interest rate was 6% up until the repayment of the syndicated loan.

On 30 November 2023, the Eroski Group fully repaid the outstanding balance of the syndicated loan in the amount of €703 million plus interest accrued to that date.

## EROSKI, S. COOP. AND SUBSIDIARIES

## Notes to the Condensed Interim Consolidated Financial Statements for the six-month period ended 31 July 2024

The following financing was arranged in order to make that payment:

- Issuance of bonds for a nominal amount of €500 million maturing on 30 April 2029 and accruing 10.625% fixed interest payment half-yearly. The bond is carried under “Other financial liabilities due to issuance of bonds and marketable securities”. The effective interest rate is estimated at 10.993%. The terms and conditions of the bond issue establish the payment of a premium on the nominal amount in the event of early redemption, which varies depending on the year of redemption, decreasing to reach zero in 2027. The parent company's directors consider early redemption to be unlikely during the first two years following bond issuance, in view of these premiums. The current portion of accrued unmatured interest on the instrument is recognised at 31 July 2024 and 31 January 2024.

The bonds have been traded on the Euro MTF market (Luxembourg), under Reg S and Rule 144A, since 27 December 2023. The quoted prices stand at 106.27% and 107.13% of nominal value, respectively, at 31 July 2024 (107.11% and 107.00% at 31 January 2024).

The amortised cost of the bond is €502,155 thousand at 31 July 2024, of which €493,153 thousand is a long-term balance and €9,002 thousand is short-term interest (€501,911 thousand at 31 January 2024, of which €492,614 thousand was a long-term balance and €9,297 thousand was short-term interest).

- “TLA” loan granted in the amount of €113 million and recognised as a Framework Agreement. This loan comprises three tranches (tranche A of €4.5 million, tranche B of €100 million and tranche C of €8.5 million) and is subject to quarterly partial repayments. The final maturity dates are 31 July 2024 for tranche A, 30 April 2029 for tranche B and 31 October 2027 for tranche C.

The interest rate applicable in each interest period is the annual Euribor plus a spread of 2.5% per annum, payable quarterly, the effective interest rate being 6.347% at 31 July 2024 (6.347% at 31 January 2024).

€12.7 million has been repaid on this loan since 31 January 2024 (€4 million repaid from the loan grant date to 31 January 2024).

## EROSKI, S. COOP. AND SUBSIDIARIES

## Notes to the Condensed Interim Consolidated Financial Statements for the six-month period ended 31 July 2024

The amortised cost of the “TLA” loan at 31 July 2024 is €92.4 million, of which €76.8 million is a long-term balance and €15.6 million is a short-term balance (at 31 January 2024, the amortised cost of the loan was €103.9 million, comprising a long-term balance of €83.1 million and a short-term balance of €20.8 million).

- Bridge loan (recognised as a Framework Agreement) of €35 million payable at maturity on 30 May 2025 and accruing a six-monthly Euribor rate of interest plus a spread of 2.5% to 30 May 2024, 3.250% from 30 May 2024 to 30 November 2024 and 4% from 30 November 2024 to final maturity, payable quarterly. The effective interest rate is 7.905% at 31 July 2024 (7.905% at 31 January 2024). €22.5 million was repaid in advance on this loan in December 2023 following the sale of several real estate assets. €5.8 million was repaid during the six-month period to 31 July 2024.

The amortised cost outstanding at 31 July 2024 is €7.3 million, all of which is a short-term balance (at 31 January 2024, the amortised cost of the loan was €12.8 million, comprising a long-term balance of €12.7 million and a short-term balance of €0.1 million).

Costs amounting to approximately €27 million were incurred on the repayment of the syndicated loan. Non-incremental transaction costs of the new financing recognised in the second half of the financial year ended 31 January 2024 amounted to €11 million.

In addition, unlike the previous syndicated loan repaid on 30 November 2023, repayment of this financing (loans and bonds) is not secured by a mortgage guarantee on certain property, plant and equipment, investment property or non-current assets held for sale owned by the various Group companies.

However, this financing is secured by pledges on ownership interests in certain companies, on insurance policy receivables and on the bank accounts of various Group companies.

Besides the above-mentioned agreements, on the same date, 30 November 2023, certain Group companies arranged reverse factoring, bank guarantee and comex facilities for a total limit of €243 million, initially maturing on 16 November 2026 but extendable to 16 November 2028. This facilities are in addition to other similar lines of financing arranged by other Group companies for a limit of €34 million, maturing on 31 July 2025.

## EROSKI, S. COOP. AND SUBSIDIARIES

Notes to the Condensed Interim Consolidated Financial Statements for the six-month period ended 31 July 2024

Promissory notes

On 5 June 2024, the Alternative Fixed Income Market (MARF)'s Admissions and Suspensions Committee resolved to admit the basic prospectus for the admission of promissory notes of Eroski, S. Coop., entitled "Commercial Paper Programme Eroski 2024", for a maximum outstanding balance of €100 million, maturing on 5 June 2025, without affecting any renewals of the programme. At 31 July 2024, the outstanding balance of issues charged to the programme stands at €17.9 million, maturing in a maximum of five months and carried under "Other financial liabilities due to issuance of bonds and marketable securities".

Other bank loans and credit facilities

On 15 January 2024, a bank loan of €50 million arranged on 1 December 2023 and carried under "Other bank loans and credit facilities", maturing on 29 April 2029 and accruing interest at the annual Euribor rate plus a spread of 2.5%, payable annually, was utilised. The effective interest rate at 31 July 2024 is 7.327% (7.327% at 31 January 2024). No amount has been repaid since the loan was utilised.

The amortised cost of the loan at 31 July 2024 is €51 million, of which €41.8 million is a long-term balance and €9.2 million is a short-term balance (at 31 January 2024, the amortised cost of the loan was €49.5 million, comprising a long-term balance of €41.8 million and a short-term balance of €7.7 million).

The heading "Other bank loans and credit facilities" also includes the amortised cost of a subordinated loan agreement entered into in January 2016 with several financial institutions and used to make the cash payment offered to exchange the ESFCs, recognised at the fair value of €43 million. The nominal balance outstanding at 31 July 2024 is €57 million (€57 million at 31 January 2024). Interest was capitalised up until November 2023. The 2019 syndicated loan agreement stipulated that, when the syndicated loan itself were repaid, this loan would cease to be subordinated and the interest capitalised up until that date would become payable. This loan falls due in February 2028 and accrues interest at the Euribor rate plus 3%.

## EROSKI, S. COOP. AND SUBSIDIARIES

## Notes to the Condensed Interim Consolidated Financial Statements for the six-month period ended 31 July 2024

No amount has been repaid since the loan was utilised. The amortised cost of the loans at 31 July 2024 is €53.3 million, of which €51.4 million is a long-term balance and €1.9 million is a short-term balance (at 31 January 2024, the amortised cost of the loans was €50.9 million, the entire amount being a long-term balance).

Finally, "Other bank loans and credit facilities" include a credit facility arranged on 7 February 2024 for €8 million with Caja Rural (Cajamar), maturing at 12 months and bearing 5% fixed interest in the first three months and then the Euribor plus 1.250 percentage points, payable quarterly. The amortised cost of the credit facility stands at €0.4 million at 31 July 2024.

(c) Lease liabilities

The contractual maturities of lease liabilities at 31 July 2024 and 31 January 2024 are analysed below:

	Thousand euro	
	31.07.2024	31.01.2024
Less than 1 year	171,953	168,019
1 to 5 years	423,978	472,985
More than 5 years	<u>181,618</u>	<u>190,969</u>
	<u>777,549</u>	<u>831,973</u>

The fair value of financial liabilities does not differ significantly from the carrying amount.

## EROSKI, S. COOP. AND SUBSIDIARIES

Notes to the Condensed Interim Consolidated Financial Statements for the six-month period ended 31 July 2024

(14) Tax situation

The Group records a considerable amount of deferred tax assets, mainly from the parent company and from several companies forming a corporate income tax group. At 31 July 2024, no changes have been made to estimated future tax bases assuring the recoverability of tax deductions and tax-loss carryforwards recognised.

Set out below is a breakdown at 31 July 2024 and 31 January 2024 of deferred tax assets and liabilities by type of asset and liability:

	Thousand euro					
	Assets		Liabilities		Net	
	31.07.24	31.01.24	31.07.24	31.01.24	31.07.24	31.01.24
Property, plant and equipment	914	1,229	(3,034)	(3,035)	(2,120)	(1,806)
Rights of use and lease liabilities (Note 8)	133,543	142,196	(129,202)	(137,594)	4,341	4,602
Goodwill and intangible assets	1,074	1,075	(12,235)	(12,279)	(11,161)	(11,204)
Inventories	166	266	(21)	(21)	145	245
Provisions	5,165	5,225	(3,258)	(3,258)	1,907	1,967
Available-for-sale financial assets	1,891	1,891	(1,969)	(1,969)	(78)	(78)
Other	<u>6,729</u>	<u>6,577</u>	<u>-</u>	<u>-</u>	<u>6,729</u>	<u>6,577</u>
	149,482	158,459	(149,719)	(158,156)	(237)	303
Tax credits for tax-loss carryforwards	90,545	90,493	-	-	90,545	90,493
Tax deductions and rebates	<u>21,762</u>	<u>22,638</u>	<u>-</u>	<u>-</u>	<u>21,762</u>	<u>22,638</u>
Net assets and liabilities	<u>261,789</u>	<u>271,590</u>	<u>(149,719)</u>	<u>(158,156)</u>	<u>112,070</u>	<u>113,434</u>

Movements during the period

The change in deferred tax assets and liabilities during the six-month period ended 31 July 2024 relates primarily to the tax effect of additions of right-of-use assets and lease liabilities.

At 31 July 2024, of the tax losses stated in tax returns filed (or to be filed), deferred tax assets for tax-loss carryforwards amounting to €665,148 thousand (€656,730 thousand at 31 January 2024) have not been recognised. Similarly, deductions pending recognition at 31 July 2024 amount to €67,929 thousand (€66,233 thousand at 31 December 2024).

In July 2023, several Group companies received notifications from the Tax Agency (Tax and Customs Control Department) of the start of verification and investigation proceedings in connection with the main taxes applicable, from 2018 to 2020 in the case of corporate income tax and from August 2019 to December 2021 in the case of VAT and withholding tax.

As the inspections have not ended, no conclusions can be drawn.

The accompanying notes form an integral part of the condensed interim consolidated financial statements for the six-month period ended 31 July 2024.

## EROSKI, S. COOP. AND SUBSIDIARIES

## Notes to the Condensed Interim Consolidated Financial Statements for the six-month period ended 31 July 2024

The Company's directors envisage no risk of possible tax contingencies as a result of the inspection.

(15) Financial income and expenses

A breakdown of financial income and expenses is as follows:

<u>Financial income</u>	Thousand euro	
	<u>31.07.2024</u>	<u>31.07.2023</u>
Interest on loans granted	2,199	2,222
Other financial income	1,677	886
Financial income from:		
Financial assets at fair value		
through other comprehensive income	3,768	2,158
Profit from sale of financial assets at fair value through other comprehensive income	-	726
Total financial income	<u>7,644</u>	<u>5,992</u>
<u>Financial expenses</u>	Thousand euro	
	<u>31.07.2024</u>	<u>31.07.2023</u>
Financial expense on bank borrowings and other loans	10,829	27,527
Financial expense on instruments issued	39,947	12,672
Financial expense on lease liabilities	7,975	12,165
Financial expense on dividend liabilities	-	2,700
Losses on sale of financial assets	98	-
Other financial expenses	6,623	7,585
Financial asset impairment losses (Note 9)	2,507	1,828
Losses on exchange	1	29
Total financial expenses	<u>67,980</u>	<u>64,506</u>

## EROSKI, S. COOP. AND SUBSIDIARIES

Notes to the Condensed Interim Consolidated Financial Statements for the six-month period ended 31 July 2024

(16) Balances and transactions with related parties

The Group carries out significant transactions with some of its investees.

(a) Transactions other than ordinary business or on non-market terms carried out by the parent company's directors or key management personnel

Neither the parent company's directors nor any of their close relatives or key managers effected transactions with the Company or Group companies outside the ordinary course of business or on non-market terms during the six-month period ended 31 July 2024.

(b) Information on the parent company's directors and the Group's key management personnel

The directors or members of the Company's Governing Board received no remuneration for holding office during the six-month period ended 31 July 2024. However, in their capacity as working partners, they received remuneration in the form of consumption advances totalling €256 thousand (€250 thousand during the six-month period ended 31 July 2023).

The members of the Company's Board of Directors, in their capacity as working partners, received remuneration in the form of consumption advances totalling €759 thousand (€722 thousand during the six-month period ended 31 July 2023).

(17) Events after the reporting period

There have been no significant events that warrant disclosure between 31 July 2024 and the date these annual accounts are authorised for issue.

## EROSKI, S. COOP. AND SUBSIDIARIES

## Details of the Subsidiaries

31 July 2024

Shareholdings in Group companies	% shareholding				Registered address	Activity
	31.07.24		31.01.24			
	Direct	Indirect	Direct	Indirect		
<b>Cecosa Hipermercados subgroup</b>						
Cecosa Hipermercados, S.L.	60.00%	40.00%	60.00%	40.00%	Madrid	(v)
Desarrollos Inmobiliarios Los Berrocales, S.L.	-	60.00%	-	60.00%	Madrid	(iii)
Desarrollos Comerciales de Ocio e Inmobiliarios de Orense, S.A.	-	100.00%	-	98.00%	Madrid	(iii)
Equipamiento Familiar y Servicios, S.A.	-	100.00%	-	100.00%	Elorrio (Vizcaya)	(i)
Llanos de San Julián, S.A.	-	100.00%	-	49.50%	Torremolinos (Málaga)	(iii) (*)
Desarrollos Comerciales y de Ocio Algeciras, S.L.	-	100.00%	-	50.00%	Madrid	(iii) (*)
<b>Cecosa Diversificación, S.L.U.</b>	100.00%	-	100.00%	-	Elorrio (Vizcaya)	(ii)
<b>Cecosa Institucional subgroup</b>						
Cecosa Institucional, S.L.	100.00%	-	100.00%	-	Elorrio (Vizcaya)	(ii)
Aportaciones Financieras Eroski, S.A.	-	60.00%	-	60.00%	Elorrio (Vizcaya)	(iv)
Gestión de participaciones Forum, S.C.P.	-	68.41%	-	68.41%	Basauri (Vizcaya)	(ii)
<b>Cecogoico subgroup</b>						
Cecogoico, S.A.U.	100.00%	-	100.00%	-	Elorrio (Vizcaya)	(ii)
Newcobeco, S.A.U.	-	100.00%	-	100.00%	Elorrio (Vizcaya)	(ii)
Sociedad Franquicias Eroski Contigo, S.L.U.	-	100.00%	-	100.00%	Elorrio (Vizcaya)	(i)
Forum Sport, S.A.	-	95.89%	-	95.89%	Basauri (Vizcaya)	(i)
Peninsulaco, S.L.U.	-	100.00%	-	100.00%	Madrid	(v)
Supratuc2020, S.L.	-	50.00%	-	50.00%	Elorrio (Vizcaya)	(ii)
Cecosa Supermercados, S.L.U.	-	50.00%	-	50.00%	Palma de Mallorca	(v)
Caprabo, S.A.U.	-	50.00%	-	50.00%	El Prat de Llobregat	(i)
Vegonsa Agrupación Alimentaria, S.A.	-	50.00%	-	50.00%	Vigo (Pontevedra)	(i)
Vego Supermercados, S.A.U.	-	50.00%	-	50.00%	Vigo (Pontevedra)	(i)
Mercash-Sar, S.L.U.	-	50.00%	-	50.00%	Vigo (Pontevedra)	(i)
<b>Eroski Hipermercados, S. Coop., in liquidation</b>	94.86%	5.14%	94.86%	5.14%	Madrid	(vii)

- (i) Distribution and sale of goods and services
- (ii) Investment in companies engaged in distribution and sale of goods and services.
- (iii) Real estate holding company.
- (iv) Purchase, sale and holding of real estate and other financial assets for its own account, and asset management.
- (v) Distribution and sale of goods and services, and direct and indirect exploitation of petrol, diesel and similar fuels.
- (vi) Business management and promotion, development and operation goods and services distribution activities.
- (vii) Personnel placement and staffing services.

(\*) As indicated in the "Consolidation scope changes" section of Note 1 to the accounts, during the six-month period ended 31 July 2024 there was a 50% increase in the ownership interest in Desarrollos Comerciales y de Ocio Algeciras, S.L. (from 50% to 100%) and 50.5% increase in the ownership interest in Llanos de San Julián, S.A. (from 49.5% to 100%). In both cases, the consolidation method was changed from equity to full consolidation.

This appendix forms an integral part of Note 1 to the condensed interim consolidated financial statements for the six-month period ended 31 July 2024.

## EROSKI, S. COOP. AND SUBSIDIARIES

## Details of the Associates

31 July 2024

Investments in associates	% shareholding				Registered address	Activity
	31.07.24		31.01.24			
	Direct	Indirect	Direct	Indirect		
Artunzubi, S.L.	35.00%	-	35.00%	-	Bilbao (Vizcaya)	(i)
Inmobiliaria Armuco, S.L.	45.00%	-	45.00%	-	Bilbao (Vizcaya)	(i)
Inmobiliaria Gonuri Harizartean, S.L.	45.00%	-	45.00%	-	Lejona (Vizcaya)	(i)
<b>Cecosa Hipermercados subgroup</b>						
Air Miles España, S.A.	20.42%	6.25%	20.42%	6.25%	Alcobendas (Madrid)	(ii)
Unibail Rodamco Benidorm, S.L.	-	29.19%	-	29.19%	Madrid	(i)

- (i) Real estate holding company.  
(ii) Establishment and management of a loyalty programme.

## EROSKI, S. COOP. AND SUBSIDIARIES

### CONSOLIDATED MANAGEMENT REPORT 31 July 2024

#### FINANCIAL OVERVIEW

EROSKI closed the first half of FY 2024 with net revenue of €2,606,983 thousand. In comparative terms, this entails an increase of €80,281 thousand or 3.18% on the same period of the previous year.

As regards funds generated, the following table provides a comparison with the previous year, in thousands of euros:

ITEM	31/07/2024	31/07/2023	Var.
PROFIT BEFORE FINANCIALS AND TAXES	122,850	141,949	(19,099)
Impairment of non-current assets, Profit/(loss) from sale of assets	4,252	10,033	(5,781)
Operating profit	118,598	131,916	(13,318)
Revenue	2,606,983	2,526,702	80,281
Operating profit / Revenue	4.55	5.22	(0.67)

Ordinary activities brought in a current operating profit of €118,598 thousand, representing 4.55% of sales, which is 0.67% below the ratio for July 2023.

Net financial income/(expense) reflects a loss of €60,336 thousand, including both borrowing costs and financial expenses under lease agreements, pursuant to IFRS 16. Financial expense increased compared to the previous year, despite the significant reduction in debt due to the rise in interest rates.

Profit before tax amounted to €62,622 thousand, €22,085 thousand below the same period of the previous year, which is explained by the decline in profits, mainly due to investing in price cuts.

In the first half of 2024, the Eroski carried on implementing the strategic initiatives in various areas identified in the Strategic Plan, as described below:

- **Commercial appeal and shopping experience:**
  - o Projects to improve the assortment and the Fresh Produce and Food section. Eroski made further progress in 2024 in the redesign and implementation of our fresh produce and food section models, in assortment innovation and optimisation, in harnessing the latest section trends demanded by our customers, and in upskilling and developing our teams. Initiatives in the bakery, fruit and vegetables, and fish sections, as well as in the pets, frozen food and solutions areas, among others, were remarkable and are boosting our value and quality proposition.

The large number of pilots undertaken in our store network, together with all the commercial concept tests still in progress in flagship and pioneering stores, such as Lakua and Salburua, are still contributing significantly to this objective. Besides movements in these formats, the Group is evolving its other formats, from Hypermarkets to Self-service stores.

All actions continue to be accompanied by significant efforts to clearly improve price competitiveness and our value proposition based on health and local sourcing, which customers say they perceive and value very positively.

- Adaptation of store formats: In 2024, we remain firmly committed to renewing our network by extending the Supermarket models tested in previous years. We have transformed 3 Hypermarkets, 19 Eroski Supermarkets and 9 Caprabo Supermarkets to the new model, while 1 Forum store has been refurbished. Our customers have responded very well to our store refurbishments, which represent a qualitative leap in our services and offering, increasing our commercial proposal and thus customer satisfaction, which means a significant improvement in the business, making us a benchmark in the areas in question.
  - Distinctive service: As a strategic pillar in recent years and now ongoing, in this first part of the year we further consolidated and implemented the “grateful sales” management approach, which is intended to stimulate the sales force through campaigns and specific targets that will improve our customers’ shopping experience.
- **Growth:** Eroski continued to focus on expanding the business in the first half of FY 2024, opening 2 Supermarkets and 34 Franchised stores, 10 of which are Caprabo establishments. Two Supermarket extensions were also completed. The new openings are performing very well, which endorses our approach and bolsters our leadership position in our markets.
  - **Efficiency:** In 2024, continuing along the path set out in previous years, the Eroski Group is taking great strides to reach a transforming, efficient culture geared towards collective achievement, based on a management model that we have called *Impact*, which, among many other things, is allowing us to make very significant, robust progress in controlling and cutting costs. The actions carried out have made it possible to manage the impacts of economic instability and continuously rising prices through savings initiatives in the following areas: more efficient point-of-sale operations, including major improvements in productivity, platform efficiency, supply efficiency and logistics efficiencies, and indirect costs. In all cases, progress and results are very positive, with savings even exceeding forecasts.

These efficiency improvements have facilitated our pledge to reduce the pressure on households, strengthening our commitment to savings through improvements in price competitiveness, and increasingly personalised promotions, as well as a clear focus on enhancing own-brand products.

These actions brought cumulative savings of over €33 million through price cuts on more than 5,700 products in the first half of the financial year.

## **EVENTS AFTER THE REPORTING DATE**

There have been no significant events that warrant disclosure between 31 July 2024 and the date these annual accounts are authorised for issue.

Statement by those responsible for the half-yearly information  
at 31 July 2024

On 27 September 2024, the members of the Governing Board of Eroski, S.Coop. (the Company) sign the Condensed Interim Consolidated Financial Statements and the Consolidated Management Report of Eroski S. Coop. and subsidiaries for the six-month period from 1 February 2024 to 31 July 2024. The said documents are attached to this sheet.

Furthermore, the members of the Eroski, S.Coop.'s Governing Board state that, to the best of their knowledge, the condensed interim financial statements, prepared in accordance with the applicable accounting principles, present fairly the consolidated equity, consolidated financial position and consolidated results of the issuer and of the companies included in the consolidation scope, taken as a whole, and that the consolidated management report includes a fair analysis of the performance and results of the issuer's business and of the position of the issuer and of the subsidiaries included in its Group, taken as a whole, together with a description of the principal risks and uncertainties that they face.

Signed by:

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Leire Muguerza Gárate  
(Chair)

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M<sup>a</sup> Asunción Bastida Sagarzazu  
(Vice-Chair)

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Amaia Ramos Romeo  
(Member)

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Maria Victoria Fernández Gómez  
(Member)

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Olga de Miguel Hernández  
(Member)

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Mikel Gantxegi  
(Member)

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Olaia Betanzos Chertudi  
(Member)

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Ana Isabel Zariquiegui Asiain  
(Member)

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Edorta Herce Susperregui  
(Member)

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Zulima Valdivieso Martínez  
(Member)

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Carmelo Lecue Alberdi  
(Member)

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Maite Legarra Eizagirre  
(Secretary)