

POLISH FINANCIAL SUPERVISORY AUTHORITY

Current Report No. 3 / 2021

Date of preparation: 11st March 2021

Abbreviated name of the issuer:

EUROCASH

Subject:

Disclosure of delayed inside information – Eurocash will acquire 49% of shares in the company operating the Arhelan chain of stores, which ultimately will cooperate with Eurocash Group within the franchise structures of Delikatesy Centrum

Legal basis:

Art. 17 sec. 1 and 4 of MAR

Report body:

The Management Board of Eurocash S.A. with its registered seat in Komorniki ("Issuer" or "Eurocash"), acting pursuant to art. 17 sec. 1 and 4 of the Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16th April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC ("MAR"), hereby passes the inside information that on 17th February 2021, after determining the key commercial terms of the transaction regarding the acquisition by Eurocash of 49% (ultimately 50%) of shares in the company operating the Arhelan chain of stores and future cooperation of Arhelan with the Eurocash Group, including the execution of a franchise agreement between Arhelan and Eurocash Franczyza sp. z o.o. (Eurocash 100% subsidiary) related to the Arhelan ultimate participation in the Delikatesy Centrum franchise structures under the brand Delikatesy Centrum and Polskie Sklepy Arhelan ("Transaction"), the Issuer decided to execute the Transaction.

The disclosure of the inside information regarding the Transaction has been delayed on 17th February 2021 pursuant to Art. 17 sec. 4 of the MAR. The Issuer decided to delay the disclosure of the information due to the fact that the disclosure was likely to prejudice the legitimate interests of the Issuer by adversely affecting the process, the results of final negotiations and, as a consequence, the execution of the Transaction. The Issuer points out that the delay in disclosing the above information does not mislead the public, and that the Issuer has taken all steps to ensure the confidentiality of that information.

The reason for the disclosure of the delayed inside information is the execution on 11th March 2021 between the Issuer, Arhelan and Arhelan's current shareholders of the investment agreement, constituting also the preliminary shares purchase agreement ("Investment Agreement") regarding purchase of shares in Arhelan and defining the terms of the cooperation between Arhelan and Eurocash Group, including regarding the franchise agreement related to the Arhelan ultimate participation in the Delikatesy Centrum franchise structures, under the brand Delikatesy Centrum and Polskie Sklepy Arhelan. At the closing of the Transaction, which the Parties intend to carry out immediately after the fulfillment of the conditions precedent to the Transaction, Eurocash will acquire 49% of shares in Arhelan and Eurocash Group will conclude with Arhelan respective cooperation agreements, referred to above. The remaining 1% of shares in Arhelan will be acquired by Eurocash at a later date.

The implementation of the Transaction depends on the fulfillment of conditions precedent agreed on in the Investment Agreement, in particular (i) obtaining by Eurocash the consent of the President of the Office of Competition and Consumer Protection for Eurocash to take control over Arhelan and (ii) transformation of Arhelan's legal form and transfer of its real estate to a separate entity.

Arhelan runs a chain of over 100 retail stores under the brand Polskie Sieci Arhelan. The chain was founded in 1991 in Bielsk Podlaski by the Burzyński Family. The activity is conducted mainly in the Podlaskie, but also in Warmińsko-Mazurskie, Mazowieckie and Lubelskie Voivodeships. The brand is distinguished by fresh products of the highest quality, sourced from reliable suppliers, and the Arhelan expansion model fits in with a socially responsible presence on local markets. Arhelan's sales revenues in 2020 amounted to approx. PLN 500 million.

The information about the decision to execute the Transaction and signing the Investment Agreement was classified by the Issuer as inside information due to its potentially significant importance for the Issuer's business.

Full name of the issuer:	EUROCASH S.A.
Abbreviated name of the issuer:	EUROCASH
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SIGNATURES OF THE COMPANY'S REPRESENTATIVES

Date	Full Name	Position	Signature
11 st March 2021	Jacek Owczarek	Member of the Management Board	
11 st March 2021	Arnaldo Guerreiro	Member of the Management Board	