

ANNUAL WRITTEN REPORT OF THE SUPERVISORY BOARD OF EUROCASH SPÓŁKA AKCYJNA FOR 2020

To the General Meeting of Eurocash Spółka Akcyjna (the “Company”)

The report covers the fiscal year from January 1st, 2020 through December 31st, 2020.

In 2020 the following persons were the members of the Supervisory Board of the Company:

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|--------------------------------------------------|-----------------------------------|
| • Dr. Hans Joachim Körber | Chairman of the Supervisory Board |
| • Mr. Francisco José Valente Hipólito dos Santos | Member of the Supervisory Board |
| • Mr. Renato Arie | Member of the Supervisory Board |
| • Mr. Jorge Mora | Member of the Supervisory Board |
| • Mr. Ewald Raben
(until 20.10.2020) | Member of the Supervisory Board |
| • Mr. Przemysław Budkowski
(from 20.10.2020) | Member of the Supervisory Board |

Supervisory Board Committees

The following internal committees operate under the auspices of the Supervisory Board:

- (i) the Audit Committee,
- (ii) the Remunerations Committee,
- (iii) the Nomination Committee.

Responsibilities of the Audit Committee include as follows:

- a) monitoring:
 - (i) the financial reporting process;
 - (ii) the effectiveness of the Company's internal control and risk management systems and internal audit, including in the scope of the financial reporting process; and

- (iii) financial revision, in particular the audit including all motions and findings of the Audit Supervision Commission (Polish: Komisja Nadzoru Audytowego) arising from the control in the audit firm;
- b) supervising the submission of financial information by the Company in the periodical reports, forecasts, etc,
- c) supervising the activities of external auditors of the Company,
- d) presenting the recommendations to appoint an audit firm to the Supervisory Board in compliance with the adopted policy and procedure of the appointment, where audit firm cannot render its services for longer than 5 years; controlling and monitoring of the independence of the statutory auditor and the audit firm, in particular if the audit firm provides the Company with other services than audit,
- e) supervising the relationship with the statutory auditor, including in particular:
 - (i) assessing the statutory auditor's independence, remuneration and any nonauditing work for the Company,
 - (ii) granting consent to render by the statutory auditor additional permitted services, other than audit
 - (iii) determining the involvement of the external auditor in respect of the contents and publication of financial reporting,
- f) informing the Supervisory Board on results of the of the audit and how the audit contributed to the integrity of financial reporting and on the role of the Audit Committee in the audit process;
- g) each year evaluating internal control system functioning and the significant risk management system functioning as well as evaluating its own functioning in a form of an annual report of its deliberations, findings and relationship with the external auditor (including in particular his independence) to be included as a part of the Supervisory Board's annual report to be presented at the Ordinary General Assembly;
- h) preparing procedures of appointment of the audit firm by the Company
- i) preparing the policy of appointment of the audit firm for an audit of the Company's yearly separate and consolidated financial statements;
- j) preparing policy for rendering by the audit firm performing audit, its affiliated entities and members of its network of the permitted services other than the audit
- k) submit recommendations to ensure the integrity of financial reporting by the Company.

The Audit Committee was composed of the following members: Mr. Jorge Mora (Chairman of the Audit Committee), Mr. Francisco José Valente Hipólito dos Santos (Member of the Audit Committee), until 20.10.2020 Mr. Ewald Raben (Member of the Audit Committee) and from 20.10.2020 Mr. Przemysław Budkowski (Member of the Audit Committee).

Responsibilities of the Remunerations Committee include as follows:

- (i) reporting to the Supervisory Board of the existence of a remuneration policy for the Management Board, which is known to the Remunerations Committee in sufficient detail, including (a) the remuneration structure, (b) the amount of fixed remuneration, (c) the shares and/or options and/or other variable remuneration components and other forms of remuneration, as well as the performance criteria and the application thereof by Management Board Members,
- (ii) each year, submitting a proposal for the Supervisory Board's approval for an appraisal concerning the compliance of the remuneration policy for the Management Board and application thereof with regard to the desired standards of corporate governance,
- (iii) ensuring the disclosure to the Supervisory Board of the remuneration of the Management Board resulting from an implementation of the remuneration policy,
- (iv) each year, submitting a self-assessment in the form of an annual report of its performance to be included as part of the Supervisory Board's annual report and to be presented at the Ordinary General Meeting of Shareholders.

The Remuneration Committee was composed of the following members: Mr. Renato Arie (Chairman of the Remuneration Committee), Mr. Francisco José Valente Hipólito dos Santos (Member of the Remuneration Committee), until 20.10.2020 Mr. Ewald Raben (Member of the Remuneration Committee) and from 20.10.2020 Mr. Przemysław Budkowski (Member of the Remuneration Committee).

The responsibilities of the Nomination Committee shall include:

- a. to identify and recommend (for the Supervisory Board's approval) the candidates for the Supervisory Board members appointed by the General Assembly in connection with existing or expected vacancy in the Supervisory Board (including the end of the Supervisory Board's term)

- b. to opine on candidates for Supervisory Board members elected by the General Assembly proposed by the shareholders of the Company,
- c. to identify and recommend candidates for the Management Board members appointed by the Supervisory Board, in connection with existing or expected vacancy in the Management Board (including the Management Board member's or President's end of the term);
- d. each year evaluating its own functioning in a form an annual report of its activities to be included as a part of the Supervisory Board's annual report to be presented at the Ordinary General Assembly.

The Nomination Committee is composed of the following members: Dr. Hans Joachim Körber (Chairman of the Nomination Committee), Mr. Renato Arie (Member of the Nomination Committee) and Pan Jorge Mora (Member of the Nomination Committee).

1. Information on the Supervisory Board's activities.

The Supervisory Board fulfilled its duties according to the Commercial Companies Code and the Company's Statute. In particular, the Supervisory Board was involved in the internal control and risk management systems of the Company, analyzed the Company's results and monitored the performance of the Management Board. Supervisory Board was involved in the process of taking the important decisions of the Company like, e.g., decisions related to agendas of the general meetings or approval of Company's budget for the year 2021.

Pursuant to § 13.12 of the Company's Statute, in 2020 the Supervisory Board held 8 meetings: on following dates: March 12, April 21, June 4, July 28, August 25, September 21, November 12, November 23 – 24.

2. Supervisory Board opinion on the Company's financial statements for 2020, including the financial statement for 2020, the Management Board's report on the Company's business activity in 2020

2.1 Opinion on the financial statement.

Pursuant to Art. 382 § 3 of the Commercial Companies Code, the Supervisory Board of

the Company conducted the analysis of the separate financial statement of the Company for 2020, including the separate statement of the financial position as at December 31st, 2020, showing the total assets in the amount of PLN 6 488 750 929,00 (six billion four hundred eighty eight million seven hundred fifty thousand nine hundred twenty nine zloty), the separate income statement for the period from January 1st, 2020, to December 31st, 2020, showing profit for the period in the amount of PLN 128 935 033,00 (one hundred and twenty-eight million nine hundred thirty-five thousand and thirty-three zloty) and total comprehensive profit for the period in amount of PLN 112 528 218,00 (one hundred twelve million five hundred twenty eight thousand two hundred and eighteen zloty), separate statement on changes in equity in the period from January 1st, 2020 to December 31st, 2020, representing the balance as at 31st December 2020 of 1 218 946 940,00 (one billion two hundred eighteen million nine hundred forty six thousand nine hundred forty zloty) and the separate statement of cash flows for the period from January 1st, 2020, to December 31st, 2020, indicating an decrease of net cash in the amount of PLN 10 366 785,00 (ten million three hundred sixty six thousand seven hundred eighty five zloty).

The Supervisory Board is of the opinion that the submitted separate financial statement for 2020, including the statement of the financial position, the income statement, the statement of changes in equity and the statement of cash flows, truly and properly represent the result of the Company's business activity for the above fiscal year, as well as the property and financial standing of the Company as of December 31st, 2020.

According to the above, the Supervisory Board decided to recommend to the General Meeting the approval of the Company's separate financial statement for 2020.

2.2 Opinion on the Management Board's report on the Company's business activity in 2020.

The financial statement of the Company is accompanied by a written Management Board's report on the Company's business activity in 2020.

The Supervisory Board is of the opinion that the presented report of the Management Board is true and comprehensive. After the analysis of the Management Board report, the Supervisory Board decided to recommend to the General Meeting approval of the

Management Board report and acknowledged the fulfilment of duties by the members of the Management Board.

3. Supervisory Board opinion on the Company's Capital Group consolidated report for 2020, including the consolidated financial statement for 2020 and the Management Board's report on the Company's Capital Group business activity in 2020.

3.1 Opinion on the consolidated financial statement.

The Supervisory Board of the Company conducted the analysis of the consolidated financial statement of the Company's Capital Group for 2020, including the consolidated statement of the financial position as at December 31st, 2020, showing the total assets in the amount of PLN 8 065 788 761,00 (eight billion sixty five million seven hundred eighty eight thousand seven hundred sixty one zloty), the consolidated income statement for the period from January 1st, 2020, to December 31st, 2020, showing the profit for the period in the amount of PLN 68 073 610,00 (sixty-eight million seventy-three thousand six hundred and ten zloty) and total comprehensive income for the period in the amount of PLN 51 666 765,00 (fifty-one million six hundred and sixty-six thousand seven hundred sixty five zloty), consolidated statement of changes in equity in the period from January 1st, 2020 to December 31st, 2020, representing balance as at 31.12.2020 thereof of PLN 1 002 841 141,00 (one billion two million eight hundred forty one thousand one hundred forty one zloty) and the consolidated statement of cash flows for the period from January 1st, 2020, to December 31st, 2020, indicating a negative PLN 29 178 053,00 (twenty-nine million one hundred and seventy-eight thousand and fifty-three zloty).

The Supervisory Board is of the opinion that the submitted consolidated financial statement for 2020, including the consolidated statement of the financial position, the consolidated income statement, the consolidated statement of changes in equity and the consolidated statement of cash flows, truly and properly represent the result of the Company's Capital Group business activity for the above fiscal year, as well as the property and financial standing of the Company's Capital Group as of December 31st, 2020.

According to the above, the Supervisory Board decided to recommend to the General Meeting the approval of the Company's Capital Group consolidated financial statement for 2020.

3.2 Opinion on the Management Board's report on the Company's Capital Group business activity in 2020.

The consolidated financial statement of the Company's Capital Group is accompanied by a written Management Board's report on the Company's Capital Group business activity in 2020.

The Supervisory Board is of the opinion that the presented report of the Management Board is true and comprehensive. After the analysis of the Management Board report, the Supervisory Board decided to recommend to the General Meeting approval of the Management Board report and acknowledged the fulfilment of duties by the members of the Management Board.

4. Report on Audit Committee's activities.

The Audit Committee has its responsibilities defined in § 10 of the "By-laws of the Supervisory Board". One of such responsibilities is to issue an annual report on its activities. In 2020 the Audit Committee held 3 meetings on March 12, August 24 and December 17.

During the meeting held on March 12, 2020, the Audit Committee discussed recommendation to the Supervisory Board of the positive assessment of the annual financial statement of the Company and of the Company's Capital Group for 2020. In the meeting participated the Company's auditors.

During the conference call held on August 24, 2020, the Audit Committee discussed recommendation to the Supervisory Board of the positive assessment of the half-yearly financial statement of the Company and of the Company's Capital Group. In the conference call participated the Company's auditors.

The Audit Committee also maintained ongoing contacts with the Company's auditor and the internal Audit Department in order to monitor the effectiveness of internal control systems and risk management systems as well as the functioning of internal audit, including financial reporting, the assessment of which is included in item 7 of the Report below.

Final remarks: The Audit Committee is of the opinion that it performed its responsibilities in 2020, and that the auditors, not having other commercial relations with the Company, can perform their duties in an independent manner.

5. Report on Remuneration Committee's activities.

The Remuneration Committee held two meetings in the year 2020 on July 28 and August 25.

Remuneration Committee reports that it has obtained full disclosure and access to all necessary information regarding both Company's policy regarding remuneration of Management Board members and its application. The Committee was satisfied that no material departure from stated Management policy has taken place, and expresses appreciation for Management's rigorous approach to alignment of performance incentives with Company objectives.

The Company's Human Resources Director has provided a complete description of how the fixed and variable components of remuneration policy relate to the yearly cycle of objective-setting and performance evaluation. The Committee is satisfied that Management is rigorous both in the design and in the application of a policy that appears to be adequate, in the competitive context of Poland, to encourage the achievement of Company targets.

Final remarks: Based on the above, the Remuneration Committee expresses a positive opinion on the mechanisms used to apply Management Board remuneration policy during 2020 and confirm that remuneration payments made during 2020 are in compliance with this policy.

6. Report on Nomination Committee's activities.

The Nomination Committee held a meeting on September 21, 2020.

Pursuant to the provisions of the Supervisory Board by-laws, in 2020 the Nomination Committee, in connection with the resignation of the Supervisory Board Member Mr. Ewald Raben, conducted proceedings to select candidate for a Supervisory Board member (appointed by the General Assembly). As part of its tasks, the Nomination Committee interviewed the candidate and prepared and verified the documentation related to his candidacy and selection. As a result of the proceedings, the Nomination Committee recommended to the Supervisory Board the approval of a candidate for a member of the Supervisory Board appointed by the General Assembly.

7. Evaluation of internal control system and risk management system of the Company.

Supervisory Board systematically evaluates the quality of the internal control systems and risk management of the Company. The key elements of this system include (i) yearly business plan and budget adopted by the Management Board and approved by the Supervisory Board; (ii) the internal control carried out by the internal audit department; (iii) the Management Board's daily analysis of the results of the Company and comparison thereof with the budget (iv) a verification of the financial statements by an independent auditor selected by the Supervisory Board; and (v) evaluation of financial statements by the Supervisory Board.

On the basis of the evaluation carried out, the Supervisory Board is of the opinion that there were no weaknesses which could significantly impact on the effectiveness of the internal control and risk management system of the Company.

8. Evaluation of Corporate Governance Rules.

Pursuant to § 29 Sec. 2 of the Warsaw Stock Exchange S.A. Rules in the wording adopted by virtue of the Stock Exchange Council Resolution No. 1/1110/2006 dated January 4, 2006, with further amendments, Eurocash S.A. (hereinafter, the "Company",

“Issuer”, “Eurocash”) is obliged to apply the corporate governance rules set down in the document entitled “Good Practices of Companies Listed on the WSE 2016”, which constitutes an attachment to Resolution No. 26/1413/2015 of the Stock Exchange Council dated 13 October 2015 (hereinafter referred to as “Good Practices”), available on the following website <https://www.gpw.pl/best-practice>.

In the financial year ended on December 31st, 2020, the Company complied with the corporate governance principles set out in the document "Good Practices of Companies listed on the WSE 2016" in accordance with the statement posted on the website: <https://grupaeurocash.pl/inwestor/informacje-korporacyjne/lad-korporacyjny>

Supervisory Board has given positive opinion on the Company’s fulfilment of Corporate Governance Rules

9. Evaluation of non-financial activities and Corporate Social Responsibility Report.

The Company has issued Non-Financial Report with description of Corporate Social Responsibility activities in its Consolidated Annual Report for 2020. The Supervisory Board has given positive opinion on the Company’s the Corporate Social Responsibility communication of such activities

10. Concise evaluation of the Company’s standing.

The Supervisory Board having analysed the separate and consolidated financial statements, the Company results and the plans for future developments, has given positive opinion on the Company’s and its Group standing and prospects of development thereof. Concurrently the Supervisory Board recommended to the General Meeting to acknowledge fulfilment of the Management Board duties in 2020. The more detailed comments are highlighted in the following points:

Key financial results: In the fiscal year of 2020 the consolidated sales of Company’s Capital Group in 2020 amounted to PLN 25 411,04 million and increased by 2,25 % comparing with 2019. Consolidated net profit amounted to PLN 68,07 million, what represents a negative difference of PLN 11,06 million as compared to the profit in 2019. Stand-alone sales of the Company amounted to PLN 16 109,13 million and increased

by 5,98 % comparing with 2019. Unconsolidated net profit of the Company amounted to PLN 128,94 million and represents a negative difference of PLN 45,67 million as compared to the profit in 2019.

Other relevant developments:

Development of Eurocash Retail segment

Eurocash Group continues expansion of the franchise chain Delikatesy Centrum and envisages opening of new Delikatesy Centrum stores to reach 2 400 outlets within next 4-5 years. Expansion of Delikatesy Centrum chain assumes three sources of growth:

1. Acquisitions of regional small supermarket chains,
2. Opening stores run by franchisees,
3. Opening of own retail stores (in cooperation with partners investing in real estate).

Total investment to be realized with Real Estate partners is estimated at app. PLN 1.0 – 2.0 bn. The expansion plan assumes achievement of average stores size of 350 sqm (selling area).

The envisaged organizational structure of the Eurocash Retail segment, assumes, that it will consist of all companies operating retail stores. Moreover, the target structure shall include also all wholesale and retail operations related to supply and support provided for retail stores operated by franchisees under Delikatesy Centrum brand.

As a result of the new organization and investment, the Eurocash Retail segment provides services to 1,573 proximity supermarkets.

Investment in strategical growth projects

To remain competitiveness of independent retail stores in Poland Eurocash Group continues an investment in innovative projects: Duży Ben, abc on wheels, Kontigo and others. Results of these projects have negative impact on the Group profitability, however the Board recognizes necessity of such investment to assure the growth in 5 to 10 years. After successful development of projects: Faktoria Win, PayUp and Fresh

Projects in previous years, Group decided to expand: Duży Ben and Kontigo concepts as a franchise chain.

Final comments:

The Company's Capital Group has a leader position in wholesale distribution of FMCG product, strengthen by increased scale of cooperation with clients integrated in franchise and partnership chains. The Group's sales revenues in 2020 was impacted, among others by sales growth mainly related to increased sales of the Wholesale segment and a slight increase in Retail segment, which was in the process of reorganization and integration. In 2020 profitability of the Group was affected by the increased costs due to integration processes. Integration of EKO and Mila chains within Delikatesy Centrum stores gives the Company basis to further development of Retail segment and strengthen position of all Eurocash Group clients.

Profitability was impacted also by increase of investments to strengthen position of independent retailers such as development of innovative retail formats under brands: Kontigo, abc on wheels, Duży Ben and Frisco.

The Report of the Supervisory Board of the Company was adopted in accordance with § 14.2.(iii) of the Company's Statute and § 5.7 of the "By-Laws of the Supervisory Board of Eurocash S.A."

Statement of the Supervisory Board of Eurocash S.A.
Regarding Audit Committee of Supervisory Board of Eurocash S.A.

Supervisory Board of Eurocash S.A. hereby confirms that:

- 1) Eurocash S.A. comply with the legal requirements regarding the appointment, composition and functioning of the audit committee, including fulfilling the independence criteria of its members, their knowledge and skills on the scope of activities conducted by the Eurocash S.A. and on accounting and reviewing of the financial statements,
- 2) the Audit Committee of the Supervisory Board of Eurocash S.A. fulfilled its legal obligations as required by common binding law.

Legal basis:

§ 70 Sec 1 Item 8 and § 71 Sec. 1 Item 8 of Regulation of the Minister of Finance dated 29 March 2018 on current and periodical information published by issuers of securities and on conditions under which information required by legal regulations of a third country may be recognized as equivalent

Komorniki, March 10, 2021

Dr Hans Joachim Körber
Chairman of the Supervisory Board

Renato Arie
Member of the Supervisory Board

Jorge Mora
Member of the Supervisory Board

Francisco José Valente Hipólito dos Santos
Member of the Supervisory Board

Przemysław Budkowski
Member of the Supervisory Board

Valuation
of the Supervisory Board of Eurocash S.A. with reasoning
concerning the consolidated financial statements of the Capital Group
of Eurocash S.A. for 2020, the financial statement of Eurocash S.A. for 2020,
the Management Board report on the operations of Eurocash S.A. Capital Group for 2020
and the Management Board report on the operations of Eurocash S.A. for 2020
as regards their conformity
with books, documents and facts

The Supervisory Board of Eurocash S.A. on the basis of:

- 1) the consolidated financial statement of the Capital Group Eurocash S.A. for 2020 and the financial statements of Eurocash S.A. for 2020,
- 2) the Management Board report on the operations of Eurocash S.A. Capital Group for 2020 and the Management Board report on the operations of Eurocash S.A. for 2020,
- 3) the reports from the examination of the separate and consolidated financial statements and the additional report of the auditing company for Audit Committee of the Supervisory Board of Eurocash S.A,
- 4) meetings with representatives of the audit firm,
- 5) recommendation of the Audit Committee of the Supervisory Board of Eurocash S.A. regarding the opinion on the audited financial statements,

made a positive valuation of:

- 1) the consolidated financial statement of the Capital Group Eurocash S.A. for 2020,
- 2) the financial statement of Eurocash S.A. for 2020,
- 3) the Management Board report on the operations of Eurocash S.A. Capital Group for 2020,
- 4) the Management Board report on the operations of Eurocash S.A. for 2020.

with regard to their conformity with books, documents and facts.

In the opinion of the independent expert auditor the financial statements of Eurocash S.A. and the consolidated financial statement of Eurocash S.A. Capital Group present a reliable and clear picture of the assets and financial situation of Eurocash S.A. and Eurocash S.A. Capital Group as at 31 December 2020 and of the financial result for the financial year as from 01 January 2020 to 31 December 2020, in accordance with International Accounting Standards, International Financial Reporting Standards and accounting principles (policy), and is consistent as to form and contents with applicable laws.

In the opinion of the independent expert auditor the Management Board report on the operations of Eurocash S.A. for 2020 and Eurocash S.A. Capital Group in 2020 was prepared in accordance with the applicable regulations and is consistent with the information contained in the financial statements of Eurocash S.A. and Eurocash S.A. Capital Group.

In the opinion of the Supervisory Board of Eurocash S.A. the submitted financial statements for 2020, including the statement of financial position, the separate profit and loss account and the separate statement of comprehensive income, the separate statement of changes in equity and the separate

cash flow statement, reflect correctly and reliably the result of the Company's business activity for the above financial year and the Company's assets and financial situation as at 31 December 2020.

In the opinion of the Supervisory Board, the submitted consolidated financial statement for 2020, including the consolidated statement of financial position, consolidated profit and loss account and consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement reflect correctly and reliably the result of the business activity of the Company's Capital Group for the above financial year and the assets and financial situation of the Company's Capital Group as at 31 December 2020.

In the opinion of the Supervisory Board, the reports of the Management Board on the operations of Eurocash S.A. and Eurocash S.A. Capital Group for 2020 were prepared in a reliable and exhaustive manner.

Legal basis:

Art. 382 § 3 of the Commercial Companies Code, § 14.2 (i) of the Statute of Eurocash S.A., § 70 Sec. 1 Item 14 and § 71 Sec. 1 Item 12 of the Regulation of the Minister of Finance of 29 March 2018 on current and periodic information provided by issuers of securities and conditions for recognising as equivalent information required by the laws of a non-member state.

Komorniki, March 10, 2021

Dr Hans Joachim Körber
Chairman of the Supervisory Board

Renato Arie
Member of the Supervisory Board

Jorge Mora
Member of the Supervisory Board

Francisco José Valente Hipólito dos Santos
Member of the Supervisory Board

Przemysław Budkowski
Member of the Supervisory Board