

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

In 2019 the following persons were the members of the Supervisory Board of the Company:

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| • Mr. João Borges de Assuncao
(from 01.01.2019 to 09.05.2019) | Chairman of the Supervisory Board |
| • Mr. Jacek Sz wajkowski
(from 01.01.2019 to 09.05.2019) | Member of the Supervisory Board |
| • Mrs. Alicja Kornasiewicz
(from 01.01.2019 to 09.05.2019) | Member of the Supervisory Board |
| • Mr. Francisco José Valente Hipólito dos Santos | Member of the Supervisory Board |
| • Dr Hans Joachim Körber

(from 01.01.2019 to 09.05.2019 Member of the Supervisory Board and from 09.05.2019 to 31.12.2019 Chairman of the Supervisory Board) | Member / Chairman of the
Supervisory Board |
| • Mr. Renato Arie
(from 09.05.2019 to 31.12..2019) | Member of the Supervisory Board |
| • Mr. Jorge Mora
(from 09.05.2019 to 31.12..2019) | Member of the Supervisory Board |
| • Mr. Ewald Raben
(from 09.05.2019 to 31.12..2019) | Member of the Supervisory Board |

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: from 01.01.2019 to 09.05.2019: Mrs. Alicja Kornasiewicz (Chairman of the Audit Committee), Mr. Francisco José Valente Hipólito dos Santos (Member of the Audit Committee) and Mr. Jacek Szwajcowski (Member of the Audit Committee) and from 09.05.2019 to 31.12.2019 Mr. Jorge Mora (Chairman of the Audit Committee), Mr. Francisco José Valente Hipólito dos Santos (Member of the Audit Committee) and Mr. Ewald Raben (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: from 01.01.2019 to 09.05. 2019: Mr. Francisco José Valente Hipólito dos Santos (Chairman of the Remuneration Committee), Mrs. Alicja Kornasiewicz (Member of the Remuneration Committee), and Dr Hans Joachim Körber (Member of the Remuneration Committee) and from 09.05.2019 – 31.12.2019: Mr. Renato Arie (Chairman of the Remuneration Committee), Mr. Francisco José

Valente Hipólito dos Santos (Member of the Remuneration Committee) and Mr. Ewald Raben (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: from 01.01.2019 – 09.05.2019: Mr. João Borges de Assunção (Chairman of the Nomination Committee), Mrs. Alicja Kornasiewicz (Member of the Nomination Committee) and Pan Hans Joachim Körber (Member of the Nomination Committee) and from 09.05.2019 to 31.12.2019: 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 2020.

Pursuant to § 13.12 of the Company's Statute, in 2019 the Supervisory Board held meetings: on following dates: March 14-15, May 09, June 26, November 26-27 and December 18.

During 2019 the Supervisory Board also held several conference calls on the following dates: April 08 and August 27.

2. Supervisory Board opinion on the Company's financial statements for 2019, including the financial statement for 2019, the Management Board's report on the Company's business activity in 2019

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 2019, including the separate statement of the financial position as at December 31st, 2019, showing the total assets in the amount of PLN 6.600.468.248 (six billion six hundred million four hundred sixty eight thousand two hundred forty eight zloty), the separate income statement for the period from January 1st, 2019, to December 31st, 2019, showing profit for the period in the amount of PLN 174.612.455 (one hundred seventy four million six hundred twelve thousand four hundred fifty five zloty) and total comprehensive profit for the period in amount of PLN 176.923.197 (one hundred seventy six million nine hundred twenty three thousand one hundred ninety seven zloty), separate statement on changes in equity in the period from January 1st, 2019 to December 31st, 2019, representing the balance as at 31st December 2019 of 1.084.097.183 (one billion eighty four million ninety seven thousand one hundred eighty three zloty) and the separate statement of cash flows for the period from January 1st, 2019, to December 31st, 2019, indicating an decrease of net cash in the amount of PLN 67.117.399 (sixty seven million one hundred seventeen thousand three hundred ninety nine zloty).

The Supervisory Board is of the opinion that the submitted separate financial statement for 2019, 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, 2019.

According to the above, the Supervisory Board decided to recommend to the General Meeting the approval of the Company's separate financial statement for 2019.

2.2 Opinion on the Management Board's report on the Company's business activity in 2019.

The financial statement of the Company is accompanied by a written Management Board's report on the Company's business activity in 2019.

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 2019, including the consolidated financial statement for 2019 and the Management Board's report on the Company's Capital Group business activity in 2019.

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 2019, including the consolidated statement of the financial position as at December 31st, 2019, showing the total assets in the amount of 7.885.006.965 (seven billion eight hundred eighty five million six thousand nine hundred sixty five zloty), the consolidated income statement for the period from January 1st, 2019, to December 31st, 2019, showing the profit for the period in the amount of 79.125.593 (seventy nine million one hundred twenty five thousand five hundred ninety three zloty) and total comprehensive income for the period in the amount of PLN 81.436.334 (eighty one million four hundred thirty six thousand three hundred thirty four zloty), consolidated statement of changes in equity in the period from January 1st, 2019 to December 31st, 2019, representing balance as at 31.12.2019 thereof of PLN 963.399.217 (nine hundred sixty three million three hundred

ninety nine thousand two hundred seventeen zloty) and the consolidated statement of cash flows for the period from January 1st, 2019, to December 31st, 2019, indicating a negative 49.888.992 (forty nine million eight hundred eighty eight thousand nine hundred ninety two zloty).

The Supervisory Board is of the opinion that the submitted consolidated financial statement for 2019, 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, 2019.

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 2019.

3.2 Opinion on the Management Board's report on the Company's Capital Group business activity in 2019.

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 2019.

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 2019 the Audit Committee held 3 meetings on March 14, May 09 and November 26 and conference call on August 27.

During the meeting held on March 14, 2019, 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 2019. In the meeting participated the Company's auditors.

During the conference call held on August 27, 2019, 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 2019, 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 meetings in the year 2019 on May 09, June 26, November 26 and December 18.

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 2019, and confirm that remuneration payments made during 2019 are in compliance with this policy.

6. Report on Nomination Committee's activities.

The Nomination Committee held conference call on April 08, 2019.

Zgodnie z postanowieniami Regulaminu Rady Nadzorczej w 2019 roku Komitet Nominacji, w związku z upływem kadencji Członków Rady Nadzorczej przeprowadził postępowanie w zakresie poszukiwania kandydatów na członków Rady Nadzorczej (powoływanych przez Walne Zgromadzenie) nowej kadencji. W ramach wykonywania swoich zadań Komitet ds. Nominacji przeprowadził rozmowy z kandydatami oraz przygotował i zweryfikował dokumentację związaną z ich kandydowaniem i wyborem. W wyniku przeprowadzonego postępowania Komitet Nominacji rekomendował Radzie Nadzorczej zatwierdzenie 2 kandydatów na członków Rady Nadzorczej powoływanych przez Walne Zgromadzenie.

Pursuant to the provisions of the Supervisory Board by-laws, due to the expiration of the term of office of the Members of the Supervisory Board in 2019, the Nomination Committee conducted proceedings to select candidates for the position of Supervisory Board members (elected by General Assembly) for a new term. As part of its tasks, the Nomination Committee interviewed the candidates and prepared and verified the documentation related to their candidacy and selection. As a result of the proceedings, the Nomination Committee recommended for the Supervisory Board's approval two candidates for the Supervisory Board members 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, 2019, 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 2019. 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 2019. The more detailed comments are highlighted in the following points:

Key financial results: In the fiscal year of 2019 the consolidated sales of Company's Capital Group in 2019 amounted to PLN 24,852.24 million and increased by 8.84% comparing with 2018. Consolidated net profit amounted to PLN 79.13 million, what represents a negative difference of PLN 32.53 million as compared to the profit in 2018. Stand-alone sales of the Company amounted to 15,199.59 million and increased by 2.87% comparing with 2018. Unconsolidated net profit of the Company amounted to PLN 174.61 million and represents a positive difference of PLN 24.99 million as compared to the profit in 2018.

Other relevant developments:

Conclusion of a preliminary agreement regarding the acquisition of 55.6% shares in Frisco S.A.

On 23th December 2019, between Eurocash S.A. and funds from the MCI Group - TV 1 Holding sp. z o.o., Helix Ventures Partners FIZ and MCI.PrivateVentures FIZ (acting on account MCI.Tech Ventures 1.0 subfund) a share sale agreement was concluded, regarding the acquisition by Eurocash S.A. of approx. 55.6% of shares in Frisco S.A.

The closing of the Transaction is planned not later than by 30.06.2020. The estimated value of the Transaction will be approx. PLN 130 million.

As at the date of the Sale Agreement, Eurocash holds approximately 44% of Frisco S.A. shares and as a result of Transactions and after the expected repurchase of shares from other minority shareholders Frisco S.A., Eurocash will own 100% shares of Frisco S.A.

Frisco S.A. runs the online supermarket frisco.pl. Frisco S.A. revenues in 2018 were over PLN 96 m, and the value of Frisco's revenues in 2019 was PLN 120 m. Total sales revenues in the Mila network in 2017 reached approximately PLN 1.48 billion.

In the opinion of the Management Board of Eurocash, the investment in Frisco S.A. is another element of implementing the development strategy focused on supporting independent trade in Poland through the development of innovative retail formats and technology solutions.

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 store 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 new organization and investments, Eurocash Retail segment operates 1 573 proximity supermarket stores

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, Company decided to expand: Duży Ben and Kontigo concepts as a franchise chain.

Cost optimization program

In 2019 further optimizations has been implemented including merger of Alcohol distribution with Eurocash Distribution and integration of retail businesses. Since 2020 retail segment works as one centralised business unit.

Final comments: The Company's Capital Group has a leader position in wholesale distribution of FMCG product, strengthened by increased scale of cooperation with clients integrated in franchise and partnership chains. The Group's sales revenues in 2019 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 2019 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.

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."