

ANNUAL WRITTEN REPORT OF THE SUPERVISORY BOARD OF EUROCASH SPÓŁKA AKCYJNA FOR 2021

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

The report covers the fiscal year from January 1st, 2021 through December 31st, 2021.

In 2021 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. Przemysław Budkowski | 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) and Mr. Przemysław Budkowski (Member of the Audit Committee).

Responsibilities of the Remunerations Committee include as follows:

- a) 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,
- b) 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,
- c) ensuring the disclosure to the Supervisory Board of the remuneration of the Management Board resulting from an implementation of the remuneration policy,
- d) 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) and 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 2022.

Pursuant to § 13.12 of the Company's Statute, in 2021 the Supervisory Board held 8 meetings: on following dates: March 10, March 31, April 27, May 12, July 01, August 25, November 22 – 23 and December 16.

2. Supervisory Board opinion on the Company's financial statements for 2021, including the financial statement for 2021, the Management Board's report on the Company's business activity in 2021

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 2021, including the separate statement of the financial position as at December 31st, 2021, showing the total assets in the amount of PLN 6 670 551 766 (six billion six hundred seventy million five hundred fifty one thousand seven hundred and sixty six), the separate income statement for the period from January 1st, 2021, to December 31st, 2021, showing profit for the period in the amount of PLN 137 013 492 (one hundred thirty seven million thirteen thousand four hundred ninety two) and total comprehensive profit for the period in amount of PLN 168 312 853 (one hundred sixty eight million three hundred twelve thousand eight hundred fifty three), separate statement on changes in equity in the period from January 1st, 2021 to December 31st, 2021, representing the balance as at 31st December 2021 of 1 301 747 006 (one billion three hundred one million seven hundred forty seven thousand six) and the separate statement of cash flows for the period from January 1st, 2021, to December 31st, 2021, indicating an decrease of

net cash in the amount of PLN 1 347 221 (one million three hundred and forty-seven thousand two hundred and twenty one).

The Supervisory Board is of the opinion that the submitted separate financial statement for 2021, 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, 2021.

According to the above, the Supervisory Board decided to recommend to the General Meeting the approval of the Company's separate financial statement for 2021.

- 2.2 Opinion on the Management Board's report on the Company's business activity in 2021.
The financial statement of the Company is accompanied by a written Management Board's report on the Company's business activity in 2021.

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 2021, including the consolidated financial statement for 2021 and the Management Board's report on the Company's Capital Group business activity in 2021.**

- 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 2021, including the consolidated statement of the financial position as at December 31st, 2021, showing the total assets in the amount of PLN 8 487 298 751 (eight billion four hundred eighty seven million two hundred ninety eight thousand seven hundred fifty one), the consolidated income statement for the period from January 1st, 2021, to December 31st, 2021, showing the loss for the period in the amount of PLN 99 342 435 (ninety nine million three hundred and forty two thousand four hundred and thirty five) and total comprehensive loss for the period in the amount of PLN 66 993 000 (sixty six million nine hundred and ninety three thousand), consolidated statement of changes in equity in the period from January 1st, 2021 to December 31st, 2021, representing balance as at December 31st, 2021 thereof of PLN 786 596 177 (seven hundred eighty six million five hundred ninety six thousand one hundred seventy seven) and the consolidated statement of cash flows for the period from January 1st, 2021, to December 31st, 2021, indicating an increase of net cash in the amount of PLN 3 098 902 (three million ninety eight thousand nine hundred and two).

The Supervisory Board is of the opinion that the submitted consolidated financial statement for 2021, 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, 2021.

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 2021.

3.2 Opinion on the Management Board's report on the Company's Capital Group business activity in 2021.

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 2021.

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 2021 the Audit Committee held 4 meetings on March 10, March 31, August 25 and November 22.

During the meeting held on March 10, 2021, 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 25, 2021, 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 2021, 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 2021 on March 31 and December 16.

Remuneration Committee reports that it has obtained full disclosure and access to all necessary information regarding both the Remuneration Policy for Management and Supervisory Board Members and its application.

The Company's Human Resources Director has provided a complete description of how the fixed and variable components of the 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 the Remuneration 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 the Remuneration Policy during 2021 and confirm that remuneration payments made during 2021 are in compliance with this Policy. The detailed remuneration report will be prepared separately by the Supervisory Board and presented to the General Meeting for an opinion.

6. Report on Nomination Committee's activities.

The Nomination Committee held a meeting on December 16, 2021.

Pursuant to the provisions of the Supervisory Board by-laws, in 2021 the Nomination Committee, in connection with the motion of Mr. Luis Amaral, conducted proceedings to select and recommend to the Supervisory Board a candidate for a President of the Management Board. 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 appointment of Mr. Paweł Surówka as a President of the Management Board.

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 2021”, which constitutes an attachment to Resolution No. 13/1834/2021 of the Stock Exchange Council dated 29 March 2021 (hereinafter referred to as “Good Practices”), available on the following website <https://www.gpw.pl/best-practice2021>.

In the financial year ended on December 31st, 2021, the Company complied with the corporate governance principles set out in the document "Good Practices of Companies listed on the WSE 2021" 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 2021. 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 2021. The more detailed comments are highlighted in the following points:

Key financial results:

In the fiscal year of 2021 the consolidated sales of Company's Capital Group in 2021 amounted to PLN 26 281,43 million and increased by 3,48 % comparing with 2020. Consolidated net loss amounted to PLN 99,34 million, what represents a negative difference of PLN 148,70 million as compared to the profit in 2020. Stand-alone sales of the Company amounted to PLN 16 116,46 million and increased by 0,05 % comparing with 2020. Unconsolidated net profit of the Company amounted to PLN 137,01 million and represents a positive difference of PLN 26,79 million as compared to the profit in 2020.

Other relevant developments:

The Management Board of Eurocash aims at the sustainable development of the company's operations and its clients. The overriding goal of Eurocash is to ensure the competitiveness of independent retail stores in Poland, offering added value for the company's customers and increasing the value of the company for its shareholders.

The company implements its strategy through:

- meeting customer needs using a variety of distribution formats and forms of cooperation, as well as providing customers with the expected level of quality and service,
- creating a sustainable competitive advantage of the company through the scale effect,
- systematic cost optimization and integration of operating systems of all business units operating within the company.

In response to the ongoing consolidation process on the food distribution market in Poland, including the wholesale distribution of FMCG products in Poland, Eurocash's strategy also assumes further organic growth in each distribution format and the possible continuation of acquisitions of other wholesalers, franchise chains and retail chains. Acquisition transactions of other entities allow for a relatively quick achievement of the scale effect, which translates into the possibility of offering the company's clients (independent retail) better conditions for the purchase of goods, which should also contribute to the improvement of the company's competitiveness and market position. An element of the implementation of the above strategy was the acquisition by Eurocash in November 2021 of 49% of shares in the company operating the Arhelan chain of stores, which will cooperate with the Eurocash Group as part of Delikatesy Centrum franchise structures.

Eurocash's mission is to increase the competitiveness of retail stores run by independent entrepreneurs in Poland. The experience developed in own stores are ultimately passed on to franchisees.

One of the tools made available to all Eurocash clients so far is the Eurocash Academy - an educational platform that provides independent entrepreneurs with knowledge that cannot be accessed by employees of competing chains.

Another solution developed on the basis of the Delikatesy Centrum chain is the fresh products distribution platform that is available to franchisees and partners associated in chains cooperating with Eurocash Dystrybucja. Next, the Customer Relationship Management System will be made available, based on the mechanisms developed in Delikatesy Centrum (Delikarta). Ultimately, Eurocash customers will also be able to take advantage of solutions created on the basis of Frisco.pl experience (online store).

As part of its wholesale operations, Eurocash focuses on the integration of individual business units, sharing the best solutions developed by each of the formats and implementing group synergies. A healthy, reorganized wholesale business, generating strong cash flows from operating activities, is the main source of financing for the expansion of the retail segment. The eurocash.pl platform is also conducive to the further development of the wholesale business, as it gives the owners of independent retail stores the opportunity to indirectly reduce costs and, above all, to better address the needs of consumers. In 2021, the number of its users increased to over 31,000, whose turnover accounted for 43% of sales. Since 2019, Eurocash has been developing the marketplace.pl platform, which provide customers with thousands of additional, unique products.

In order to maintain the competitiveness of the trade of independent stores in Poland, the Eurocash Group continues to invest in innovative projects: Frisco, Duży Ben, abc na kołach, Kontigo and others. After the successful projects in previous years: Faktoria Win, PayUp and distribution of fresh products, the Company decided to develop the concepts of Duży Ben and Kontigo and make them available to franchisees. The Eurocash Group also intends to develop in the e-commerce segment through its company Frisco.

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 2021 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 2021 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."