

Report of the Supervisory Board of Dino Polska Spółka Akcyjna with its registered office in Krotoszyn on the results of examining the Activity Report of the Dino Polska S.A. Group, the Company's standalone and consolidated financial statements and the Management Board's motion on the distribution of the Company's profit for the financial year ended 31 December 2018

1. Analysis of the financial statements and the Management Board Activity Report for Dino Polska S.A. in 2018

Pursuant to art. 382 of the Commercial Company Code, the Company's Articles of Association and the Best Practices of WSE Listed Companies, the Supervisory Board of Dino Polska S.A. evaluated and examined the following documents in order to prepare this report:

- 1) Management Board Activity Report for the Company in the financial year ended 31 December 2018,
- 2) the Company's financial statements for the period from 1 January 2018 to 31 December 2018, consisting of the following:
 - a) introduction to the financial statements,
 - b) balance sheet prepared as at 31 December 2018 with total assets and equity and liabilities of PLN 2,979,895 thousand,
 - c) statement of profit or loss for the financial year from 1 January 2018 to 31 December 2018 showing net profit of PLN 208,558 thousand,
 - d) statement of changes in equity for the financial year from 1 January 2018 to 31 December 2018, showing an increase in equity by PLN 171,346 thousand,
 - e) statement of cash flows for the financial year from 1 January 2018 to 31 December 2018 showing an increase of cash of PLN 89,847 thousand,
 - f) notes and explanations to the financial statements,
- 3) opinion and report on the audit of the Company's financial statements for 2018 issued by the statutory auditor, ERNST & YOUNG Audyt Polska Sp. z ograniczoną odpowiedzialnością sp. k. with its registered office in Warsaw.
- 4) the Management Board's proposal regarding the distribution of the 2018 profit.

The Supervisory Board has familiarized itself with the statutory auditor's opinion and report on the audit of the standalone financial statements and conducted an economic and financial analysis of the Company's operations. The statutory auditor acting on behalf of Ernst & Young Audyt Polska Sp. z ograniczoną odpowiedzialnością sp. k. with its registered office in Warsaw issued a positive opinion on the submitted financial statements for 2018, stating that they have been prepared, in all material respects, in compliance with the accounting principles, International Financial Reporting Standards (consolidated financial statements) and related interpretations in these standards and based on properly kept accounting ledgers. The financial statements are compliant, in their form and content, with the applicable laws and are a fair and clear presentation of all material information, the economic and financial standing and the financial result of the entity.

In the reporting period from 1 January to 31 December 2018, the sales revenues of Dino Polska S.A. totaled PLN 5,832,221 thousand, compared to PLN 4,454,243 thousand in 2017 (+31%). The Company generated an operating profit of PLN 309,624 thousand and a net profit of PLN 208,558 thousand. Like-

for-like sales grew 11.6%. Operating expenses were PLN 5,524,871 thousand in the period under discussion. Dino Polska S.A.'s balance sheet as at 31 December 2018 had total assets and equity and liabilities of PLN 2,979,895 thousand. The total balance sheet climbed PLN 713,672 thousand in comparison with its value as of 31 December 2017.

The Activity Report of Dino Polska S.A. in 2018 is deemed to be complete. This report contains information about the Company's economic and financial standing and describes material events having a significant influence on the Company's activity in the reporting period. This report has been prepared in accordance with the Company's ledgers and documents and the facts and contains the necessary composite information about the operations of the Dino Polska S.A. Group. The Supervisory Board deems this report to be an accurate reflection of the facts and an accurate presentation of the Company's financial and economic standing in the reporting period. The Supervisory Board deems these financial statements and this report to have been prepared correctly, in compliance with the provisions of law affecting the form and content of financial statements and governing the preparation of financial statements.

2. Analysis of the consolidated financial statements and the Management Board Activity Report for the Dino Polska S.A. Group in 2018

The Supervisory Board has familiarized itself with the opinion and report of the statutory auditors on the audit of the consolidated financial statements; it has also performed an economic and financial analysis of the operation of the Dino Polska S.A. Group. The statutory auditor acting on behalf of Ernst & Young Audyt Polska Sp. z ograniczoną odpowiedzialnością sp. k. with its registered office in Warsaw issued a positive opinion on the submitted consolidated financial statements for 2018, stating that they have been prepared, in all material respects, in compliance with the accounting principles, International Financial Reporting Standards and related interpretations and based on properly kept accounting ledgers and consolidation documentation. The financial statements are compliant, in their form and content, with the applicable laws and are a fair and clear presentation of the economic and financial standing of the Dino Polska SA Group and the Group's financial result as at 31 December 2018.

In 2018, the Dino Polska SA Group generated sales revenue of PLN 5,838,529 thousand (+30.8%). The Group generated operating profit of PLN 429,002 thousand and net profit of PLN 307,554 thousand. The Company improved its profitability on all levels related to profit. The balance sheet of Dino Polska SA Group as at 31 December 2018 carried total assets and total equity and liabilities of PLN 3,287,690 thousand. The total balance sheet value grew by PLN 836,361 thousand compared to its value as at 31 December 2017. The development of the sales network led to growth in property, plant and equipment of PLN 649,425 thousand and inventories of PLN 77,095 thousand.

On the equity and liabilities side of the balance sheet, the Dino Polska S.A. Group's debt climbed PLN 117,293 thousand.

The activity report of the Dino Polska SA Group in 2018 is deemed to be complete. The report contains information about the Group's economic and financial standing and describes material events having a significant influence on its activity in the reporting period. The report has been prepared in accordance with the Company's ledgers and documents and the facts and contains the necessary

composite information about the Group's operations. The Supervisory Board deems the statements and the report discussed above to be an accurate reflection of the facts and a presentation of the Group's standing in the reporting period.

3. Evaluation of the Company's standing, including its internal control, risk management and compliance systems and internal audit function

Evaluation of the internal control system

Dino Polska S.A. has an extensive internal control system in place whose task is to facilitate effective prevention and rapid elimination of any irregularities. The internal control system covers in essence all the areas of the Company's operation and all of its organizational units. Within the framework of reviewing the financial statements, the financial statements are reviewed by an independent statutory auditor.

The Parent Company's standalone financial statements have been prepared in accordance with the following:

1. Accounting Act of 29 September 1994 (consolidated version: Journal of Laws of 2019, item 351, as amended),
2. Internal accounting procedures based on the accounting policies in effect in Dino Polska S.A.,
3. Applicable law and provisions of the articles of association of Dino Polska S.A.

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards as endorsed by the European Union – they include adjustments that are not recognized in the accounting ledgers of all the Dino Polska S.A. Group companies, which are made in order to restate the standalone financial data of the Parent Company and the Dino Polska S.A. Group's Subsidiaries to ensure compliance with IFRS.

The process of preparing financial statements is covered by an internal control and risk management system, which contributes to the credibility and accuracy of financial reporting, and compliance with the law and internal regulations. The internal control system entails:

- control activities performed by employees of the Dino Polska S.A. Group companies as part of their tasks and duties (the current allocation of duties rules out the possibility of one employee performing activities related to the execution and documentation of business operations from beginning to end),
- functional control performed by all the employees in managerial positions who oversee the organizational cells reporting to them,

Risk management in the process of preparing the financial statements is based on risk identification and assessment combined with defining and taking actions aimed at minimizing or eliminating risks in their entirety.

The Chief Accountant and the Management Board Member responsible for finance to whom the financial and accounting teams report oversee the process of preparing the financial statements of the Parent Company and the consolidated financial statements of the Dino Polska S.A. Group. The risk management process starts already at the Group's lowest levels, so as to ensure fulfillment of the intended objectives. Risk management in the Dino Polska S.A. Group is a process overseen by the Management Board and key managerial personnel.

The accuracy of preparation of the financial statements is also verified by Supervisory Board members as part of the Audit Committee's duties entrusted to the Supervisory Board. To confirm the consistency of the data contained in the financial statements with the facts and records in the accounting ledgers kept by the Company, the financial statements are audited by an independent statutory auditor who issues an opinion in this respect. All actions taken by the company aim to ensure compliance with the provisions of law and the facts, and early identification and elimination of potential risks so that they do not affect the credibility and accuracy of presented financial data.

Compliance

The company does not have a distinct compliance system. Compliance tasks are performed by Legal Department employees as the people who are the most familiar with the applicable provisions of law. Irrespective of the above, all of the Company's employees participate in the process of reviewing the compliance of internal regulations effective in their area of activity with local and international law.

Internal audit

An internal auditor position will be created in the company. The internal audit function is carried out by the Audit Committee elected from among the Supervisory Board members.

Policy for charitable and sponsoring activity

The company does not pursue a sponsoring policy. Charitable activity is conducted through the DINO Najbliżej Ciebie Foundation, which holds the status of a public benefit organization.

4. Conclusions from the analysis of the financial statements and reports and recommendations to the Shareholder Meeting

To recapitulate the previous year, the Supervisory Board has determined that the activity conducted by Dino Polska S.A. generated very good business results thereby consolidating the position of the Company and the overall Group on the financial and business market and grew the value of its assets.

The strategy of the Dino Polska SA Group calls for the consistent expansion of the sales network and opening new stores, carefully selected in terms of their expected profitability and rates of return. In 2018, the Dino Polska S.A. Group maintained its high rate of expansion, strengthening its position on the retail market in Poland. In 2018, effective expansion translated into growing retail space. Selling

space in stores grew by 27% compared to the previous year to 375.7 thousand square meters as at 31 December 2018.

Having regard for ensuring the Company's ongoing stable development, the Supervisory Board asserts that the chosen directions of development are being pursued properly and steadily by the Management Board. The economic and financial results presented in the financial statements and their analysis by the Supervisory Board make it possible to endorse the Company's operations in 2018 and hold the work done by Management Board in high regard. Having analyzed the submitted financial statements and reports and the results of Dino Polska S.A. and the Dino Polska S.A. Group in 2018, the Supervisory Board, acting in accordance with the principles set forth in the Best Practices of WSE Listed Companies, hereby issues a positive opinion about the Company's activity and financial standing in the period from 1 January to 31 December 2018. The Supervisory Board believes that there are no threats to the continuing operation of Dino Polska S.A. and the Group as a going concern and the actions being taken secure the Company's further development in the future. The Supervisory Board hereby acknowledges the proposal put forward by the Dino Polska S.A. Management Board in respect of the distribution of profit for 2018 and the standalone and consolidated financial statements for 2018 and moves for the Shareholder Meeting to approve them.

Accordingly, having conducted this evaluation, the Supervisory Board resolves to issue a positive opinion for the Ordinary Shareholder Meeting to adopt the following resolutions:

1. to approve the standalone financial statements and the Management Board Activity Report for DINO POLSKA S.A. for the financial year ended 31 December 2018;
2. to approve the consolidated financial statements and the Activity Report of the Dino Polska S.A. Group for the financial year ended 31 December 2018;
3. to distribute the profit earned in the financial year ended 31 December 2018 in such a way that the entire net profit of PLN 208,558 thousand is allocated to supplementary capital;
4. to grant a discharge to the Company's Management Board on the performance of its duties in 2018.

DINO POLSKA S.A. Supervisory Board

Tomasz Biernacki _____

Eryk Bajer _____

Maciej Polanowski _____

Piotr Nowjalis _____

Sławomir Jakszuk _____