Building a better working world

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INDEPENDENT AUDITOR'S REPORT ON THE AUDIT

To the General Meeting and Supervisory Board of Dino Polska S.A.

Audit report on the annual consolidated financial statements

Opinion

We have audited the annual consolidated financial statements of Dino Polska S.A. Group (the 'Group'),for which the parent company is Dino Polska S.A. (the 'Parent Company') located in Krotoszyn at Ostrowska 122, which comprise the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit and loss, the consolidated statement of comprehensive income, the consolidated statement of cash flows, the consolidated statement of changes in equity for the period from 1 January 2023 to 31 December 2023 and accounting principles (policies) and notes (the 'consolidated financial statements').

In our opinion, the consolidated financial statements:

- give a true and fair view of the consolidated financial position of the Group as at 31 December 2023 and its consolidated financial performance and its consolidated cash flows for the period from 1 January 2023 to 31 December 2023 in accordance with required applicable rules of International Financial Reporting Standards approved by the European Union and the adopted accounting policies,
- comply in respect of the form and content with laws applicable to the Group and the Parent Company's Statute.

The opinion is consistent with the additional report to the Audit Committee issued on 21 March 2024.

Basis for opinion

We conducted our audit in accordance with the National Standards on Auditing in the version of International Auditing Standards ("NAS") and pursuant to the Act of 11 May 2017 on Statutory Auditors, Audit Firms and Public Oversight (the 'Act on Statutory Auditors') and the Regulation (EU) No. 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities and repealing Commission Decision 2005/909/EC (the 'Regulation 537/2014'). Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report.

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' (IESBA) International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), adopted by the National Council of Statutory Auditors and other ethical responsibilities in accordance with required applicable rules of the audit of financial statements in Poland. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. While conducting the audit, the key certified auditor and the audit firm remained independent of the Group in accordance with the independence requirements set out in the Act on Statutory Auditors and the EU Regulation 537/2014.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. They include the most significant assessed risks of material misstatement, including the assessed risks of material misstatement due to fraud. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we have summarized our reaction to these risks and in cases where we deemed it necessary, we presented the most important observations related to these types of risks. We do not provide a separate opinion on these matters.

Key audit matter	How our audit responded to this matter
Recognition of benefits related to contracts with suppliers In the consolidated financial statements, the Group presents cost of sales for the year ended 31 December 2023 in the amount of PLN 19 741 459 thousand. The Group enters into contracts with suppliers, based on which the Group receives rebates, discounts and additional remuneration, that are based, among others, on the volume of purchases as well as promotional and marketing activities. The Group recognizes the benefits resulting from these contracts as a reduction of the purchase price of goods and in result as a reduction of the cost of sales upon the sale of goods. A justified portion of the benefits related to contracts with suppliers received during the financial year is allocated to inventories unsold as at the balance sheet date as a reduction in their value. Large number of contracts with suppliers and the diversity of terms and conditions in them makes it an area of significant estimation and judgment of the Parent Company's Management with a significant risk of incorrect treatment in respect to the determination of their nature and timing in which these transactions should be recognized in the consolidated financial statements, including also the allocation of these amounts towards the value of goods and cost of goods sold. Given the scale of these settlements and the complexity of the estimates and calculations, we considered this area as a key audit matter.	During our audit we have obtained an understanding of the Group's process of entering into contracts with suppliers and of the controls implemented in respect to the appropriate settlement of benefits related to contracts with suppliers. As part of our audit, we have also performed procedures, which included among others: • understanding of the Group's accounting policy for determining the cost of sales and an assessment of the policy's compliance with the applicable accounting standards; • assessment of the Group's internal controls in respect to the identification and valuation of benefits owed to the Group based on contracts with suppliers and their allocation to inventories and cost of sales; • for a selected sample of suppliers, verification of whether the settlements were performed based on actual contracts or arrangements with suppliers, reconciliation of the calculation of the value of benefits recognized in the consolidated financial statements to those contracts and arrangements and verification of the correctness of timing of recognition; • for a selected sample of suppliers, obtaining audit evidence in respect to the value of purchases; • analytical procedures designed to identify trends and correlation of the value of benefits related to contracts with suppliers and to explain potential deviations from our expectations in this respect; • assessment of the allocation of the justification portion of obtained benefits related to contracts with suppliers to the

The accounting policies adopted by the Group in respect to the recognition and presentation of benefits related to contracts with suppliers are presented in note 9.21.1. „Revenue with contracts with customers" of the accounting principles (policies) and notes.	value of inventories unsold as at the balance sheet date; • assessment of the reasonableness of the Parent Company's Management judgment in relation to the recognition of benefits from contracts with suppliers in the current period based on the verification of the realization of the prior period estimates and based on subsequent transactions after the end of the financial period; • assessment of the adequacy and accuracy of disclosures in the consolidated financial statements.
Additions of property, plant and equipment As of 31 December 2023, the value of Group's property, plant equipment amounted to PLN 6 874 672 thousand, which represents 66% of the value of total assets in the consolidated financial statements. During the financial year, the Group has incurred significant expenditures in respect to property, plant equipment related to investments in stores and distribution centers in the total amount of PLN 1 130 957 thousand. The investment process related to acquisition of property, plant and equipment requires the Parent Company's Management judgment in respect to the appropriateness of capitalization of expenses of property plant and equipment, assessment whether the purchases of construction services, including purchases from related parties, are performed on an arm's length basis, as well as, the selection of an appropriate location for the investment which will generate future economic benefits that will allow the Group to earn a specified rate of return on the investment. Considering the significance of the additions of property, plant and equipment to the consolidated financial statements of the Group and the above-mentioned judgments related to this process, we considered the matter of additions of property, plant and equipment as a key audit matter. The accounting policies adopted by the Group in respect to the valuation of property, plant and equipment are presented in note 9.3 „Property,	During our audit we have obtained an understanding of the process of additions of property, plant and equipment and of the controls implemented in respect to the appropriate recognition of property, plant and equipment in the Group's consolidated financial statements. As part of our audit, we have also performed procedures, which included among others: • understanding of the Group's accounting policy in respect to the additions of property, plant and equipment and an assessment of the policy's compliance with the applicable accounting standards; • assessment of the Group's internal controls in respect to the additions of property, plant and equipment through performing tests of controls for a selected sample of transactions; • use of experts in the field of real estate valuation in respect to the assessment, on a sample of stores opened during the financial year, whether the construction services were purchased on terms which are not materially different from average market prices; • tests of the correctness of accounting for a sample of property, plant and equipment additions, including an analysis of the correctness of capitalization of incurred expenditures; • assessment of the correctness of the moment of commencement of depreciation in respect to acquired items of property, plant and equipment;

plant and equipment" of the accounting principles (policies) and notes.

The changes of particular of groups of property, plant and equipment are described in note 14. "Property, plant and equipment" of the consolidated financial statements.

- assessment of the adequacy and accuracy of disclosures in the consolidated financial statements.

Valuation of inventories

As of 31 December 2023, the net value of the Group's inventories in the consolidated financial statements amounted to PLN 2 638 859 thousand, while the total value of allowance in respect to these inventories amounted to PLN 58 626 thousand.

The matter of valuation, also including the existence of inventories, was determined as a key audit matter considering the significance of the value of inventories to the Group's consolidated financial statements, the considerable number of locations in which inventories are held and the professional judgment of the Parent Company's Management.

The professional judgment of the Parent Company's Management relates mainly to the valuation of inventories, which comprises the determination of the purchase price, including an allocation of a justified portion of benefits from contracts with suppliers to inventories unsold as at the balance sheet date, as well as, the estimation of allowances related to matters such as the necessity to estimate inventory losses and the assessment of impairment related to the valuation of inventories at a value not exceeding the net realizable value during sale.

The accounting principles adopted by the Group in respect to the recognition of inventories are presented in note 9.10 „Inventories" of the accounting principles (policies) and notes.

The disclosures related to inventories are presented in note 18 "Inventories" of the consolidated financial statements.

During our audit we have obtained an understanding of the process of recognition and analysis of the value of inventories in purchase prices, the confirmation of their existence and the assessment of impairment.

As part of our audit, we have also performed procedures, which included among others:

- understanding of the Group's accounting policy in respect to the recognition of inventories at cost, recognition of inventory allowances and an assessment of the policy's compliance with the applicable accounting standards;
- assessment of the Group's internal controls in respect to the purchases of goods and confirmation of their existence through stocktaking procedures functioning in the Group, and in respect to the valuation of inventories including the allocation of a justified portion of benefits from contracts with suppliers to inventories unsold as at the balance sheet date;
- direct participation in selected stock counts, including the assessment of the process of stock counts and the extent of standardization of the process in various locations, as well as review of documentation of performed stock counts;
- analytical procedures in relation to the value of inventories in particular locations and explanation of potential deviations from our expectations in this respect;
- assessment of the reasonableness of the Parent Company's Management estimates in relation to the determination of the value of inventories at cost through ana analysis of the allocation of purchase costs and of the allocation of the justified portion of benefits from contracts with suppliers towards inventories unsold as at the balance sheet date;

- assessment of the reasonableness of the Parent Company's Management's estimates in respect to the recognized inventory allowances through an analysis of net realizable values and other factors and assumptions related to inventory allowances, such as estimated stocktaking provisions;
- assessment of the adequacy and accuracy of disclosures in the consolidated financial statements.

Responsibilities of the Company's Management and members of the Supervisory Board for the consolidated financial statements

The Parent Company's Management Board is responsible for the preparation the consolidated financial statements that give a true and fair view of the consolidated financial position and the consolidated financial performance in accordance with applicable International Financial Reporting Standards adopted by the European Union, the applied accounting policies, other applicable laws, as well as the Parent Company's Statute, and is also responsible for such internal control as the Parent Company's Management Board determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Parent Company's Management Board is responsible for assessing the Group's (the parent company and significant components) ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Parent Company's Management Board either intends to liquidate the Group (the parent company or significant components) or to cease operations, or has no realistic alternative but to do so.

The Company's Management and the members of the Company's Supervisory Board are required to ensure that the consolidated financial statements meet the requirements of the Accounting Act dated 29 September 1994 (the 'Accounting Act'). The members of the Company's Supervisory Board are responsible for overseeing the Company's financial reporting process.

Auditor's responsibility for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement due to fraud or error, and to issue an independent auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with NAS will always detect material misstatement when it exists. Misstatements may arise as a result of fraud or error and are considered material if they, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users taken on the basis of these consolidated financial statements.

The concept of materiality is applied by the auditor both in planning and performing the audit, and in evaluating the effect of identified misstatements on the audit and of uncorrected misstatements, if any, on the consolidated financial statements and in forming the opinion in the auditor's report. Hence all auditor's opinions and statements contained in the auditor's report are made with the contemplation of the qualitative and quantitative materiality levels established in accordance with auditing standards and auditor's professional judgment.

The scope of the audit does not include assurance on the future profitability of the Group nor efficiency or effectiveness of conducting business matters now and in the future by the Parent Company's Management.

As part of an audit in accordance with NAS, we exercise professional judgment and maintain professional skepticism and we also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or override of internal control,
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control,
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Group's Management,
- conclude on the appropriateness of the Company's Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our independent auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our independent auditor's report, however, future events or conditions may cause the Group to cease to continue as a going concern,
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation,
- we obtain sufficient appropriate audit evidence regarding the financial information of entities and business activities within the Group for the purpose of expressing an opinion on the consolidated financial statements. We are solely responsible for the direction, supervision and performance of the audit of the Group and we remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate to them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other information, including the Directors' Report

The Other information comprises the consolidated management report of the Group for the period from 1 January 2023 to 31 December 2023 („Directors' Report") together with the statement on the corporate governance and the statement on non-financial information, which are separate sections of the Directors' Report and other documents comprising the consolidated annual financial report for the financial year ended 31 December 2023 ('Consolidated Annual Report') excluding the consolidated financial statements and the independent auditor's report on the audit (‘Other Information’).

Responsibilities of the Company’s Management and members of the Supervisory Board

Parent Company’s Management is responsible for the preparation of the Other Information in accordance with the law.

The Parent Company’s Management and members of the Parent Company’s Supervisory Board are required to ensure that the Directors’ Report with separate elements meets the requirements of the Accounting Act.

Auditor’s responsibilities

Our opinion on the consolidated financial statements does not include the Other Information. In connection with our audit of the consolidated financial statements, our responsibility is to read the Other Information and, in doing so, consider whether it is materially inconsistent with the consolidated financial statements or our knowledge obtained during the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this Other information, we are required to report that fact in our independent auditor’s report. Our responsibility in accordance with the Act on Statutory Auditors is also to issue an opinion on whether the Directors’ Report was prepared in accordance with relevant laws and that it is consistent with the information contained in the consolidated financial statements.

In addition, we are required to inform whether the Parent Company has prepared the consolidated statement on non-financial information and to issue an opinion on whether the Parent Company has included the required information in the consolidated statement on corporate governance.

Opinion on the Directors’ Report

Based on the work performed during our audit, in our opinion, the Directors’ Report:

- has been prepared in accordance with the article 49 of the Accounting Act and paragraph 71 of the Decree of the Minister of Finance dated 29 March 2018 on current and periodic information published by issuers of securities and conditions for recognition as equivalent the information required by laws of non-EU member states (the ‘Decree on current and periodic information’),
- is consistent with the information contained in the consolidated financial statements.

Statement on Other information

Based on our knowledge of the Group and its environment obtained during our audit, we have not identified material misstatements in the Directors’ Report.

We have nothing to report with respect to the remaining Other information.

Opinion on the corporate governance statement

In our opinion, in the representation on application of corporate governance, the Group has included information stipulated in paragraph 70, section 6, point 5 of the Decree on current and periodic information.

Moreover, in our opinion, the information stipulated in paragraph 70, section 6, point 5 letter c-f, h and i of the Decree included in the consolidated statement on corporate governance is in accordance with applicable laws and information included in the consolidated financial statements.

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Information on non-financial information

In accordance with the Act on Statutory Auditors, we confirm, that the Parent Company has prepared the consolidated statement on non-financial information mentioned in article 55, section 2b of the Accounting Act as a separate section of the Directors' Report.

We have not performed any assurance procedures on the statement on non-financial information and do not provide any assurance thereon.

Report on other legal and regulatory requirements

Opinion on the compliance of marking up of the consolidated financial statements prepared in the single electronic reporting format with the requirements of the regulation on technical standards on the specification of a single electronic reporting format

As part of our audit of the consolidated financial statements we were engaged to perform a reasonable assurance engagement to express an opinion on whether the consolidated financial statements of the Group as at and for the year ended 31 December 2023, prepared in the single electronic reporting format, included in the file named „ESEF_SSF_Dino_Polska_2023-12-31-PL.zip" ('consolidated financial statements in ESEF format'), was marked up in accordance with the requirements stipulated in the Commission Delegated Regulation (EU) of 17 December 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards on the specification of a single electronic reporting format (the 'ESEF Regulations').

Identification of the applicable criteria and description of the subject matter

The consolidated financial statements in ESEF format were prepared by the Company's Management in order to meet the tagging requirements and technical requirements of a single electronic reporting format which are specified in the ESEF Regulations.

The subject matter of our assurance engagement is the compliance of marking up of consolidated financial statements in ESEF format with the requirements of the ESEF Regulations, while the requirements specified in these regulations represent, in our opinion, applicable criteria for us to express an opinion.

Responsibilities of the Company's Management and members of the Supervisory Board

The Company's Management is responsible for the preparation of the consolidated financial statements in ESEF format in accordance with the tagging requirements and technical requirements of a single electronic reporting format which are specified in the ESEF Regulations. Such responsibility includes the selection and application of appropriate XBRL tags using the taxonomy specified in these regulations.

The responsibility of Management also includes the design, implementation and maintenance of such internal control as Management determines is necessary to enable the preparation of the consolidated financial statements in ESEF format that are free from any material incompliances with the ESEF Regulations.

The members of the Company's Supervisory Board are responsible for overseeing the Company's financial reporting process, which include also the preparation of financial statements in the format required by applicable regulations.

Auditor's responsibilities

Our objective is to express an opinion, based on the performed reasonable assurance engagement, that the consolidated financial statements in ESEF format have been tagged in accordance with ESEF Regulations.

We have performed our assurance engagement in accordance with the National Standard on Assurance Engagements Other than Audit and Review 3001 PL on audit of financial statement prepared in the single electronic reporting format ('NSAE 3001PL') and when applicable in accordance with National Standard on Assurance Engagements Other than Audit and Review 3000 (R) in the form of the International Standard on Assurance Engagements 3000 (revised) – 'Assurance Engagements Other than Audits or Reviews of Historical Financial Information' ('NSAE 3000 (R)').

The standard requires us to design and perform procedures to obtain reasonable assurance that the consolidated financial statements in ESEF format have been prepared in accordance with the applicable criteria.

Reasonable assurance is a high level of assurance, but it is not a guarantee that the assurance engagement conducted in accordance with NSAE 3001PL and, when appropriate, in accordance with NSAE 3000 (R), will always detect material misstatement when it exists.

The selection of procedures depends on the auditor's professional judgment, including the auditor's assessment of risks of material misstatements, whether due to fraud or error. When performing risk assessment the auditor takes account of internal controls related to preparation of the consolidated financial statements in ESEF format, to design procedures responsive to those risks in order to obtain evidence that is sufficient and appropriate. The assessment of internal control was not performed for the purpose of expressing an opinion on its operational effectiveness.

Summary of work performed

Procedures that were designed and performed by us included among others:

- obtaining an understanding of the process of preparation of the consolidated financial statements in ESEF format, including the process of selection and application of XBRL markups and maintaining compliance with the ESEF Regulations, as well as obtaining an understanding of internal controls related to this process;
- reconciling the tagged information in consolidated financial statements in ESEF format to the audited consolidated financial statements;
- assessment of the compliance with the technical standards on the specification of a single electronic reporting format with the use of specialistic IT tools and IT expert;
- assessment of the completeness of tagging of information in the consolidated financial statements in ESEF format with XBRL tags with the use of specialistic IT tools;
- assessment whether XBRL tags from the taxonomy specified by the ESEF Regulations have been applied appropriately and whether extension taxonomy elements have been used when there are no appropriate elements in the core taxonomy specified in the ESEF Regulations.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the compliance of marking up with ESEF Regulations.

Ethical requirements, including independence

While performing the assurance engagement, the key statutory auditor and the audit firm have complied with the independence and other ethical requirements as specified by the IESBA Code. The IESBA Code is based on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. We have also complied with other independence and ethical requirements applicable to this assurance engagement in Poland.

Quality control requirements

The audit firm applies National Standard of Quality Control 1 in the wording of International Standard on Quality Management (PL) 1 - 'Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services engagements', which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Opinion on compliance with the ESEF Regulations

Our opinion has been formed on the basis of the matters outlined in this report and therefore should be read in conjunction with these matters.

In our opinion, the consolidated financial statements in ESEF format have been marked up, in all material respects, in accordance with the requirements of the ESEF Regulations.

Statement on the provision of non-audit services

To the best of our knowledge and belief, we represent that services, which we have provided to the Group, are compliant with the laws and regulations applicable in Poland, and that non-audit service, which are prohibited under article 5 item 1 of Regulation 537/2014 and article 136 of the Act on Statutory Auditors, were not provided. The non-audit services, which we have provided to the Group in the audited period, have been disclosed in the Directors' Report.

Appointment of the audit firm

We were appointed for the audit of the Group's consolidated financial statements initially based on the resolution of the Company's Supervisory Board from 15 December 2010 and reappointed based on the resolution from 23 April 2021. The consolidated financial statements of the Group have been audited by us uninterruptedly starting from the financial year ended on 31 December 2010, i.e. for the past 14 consecutive years.

Warsaw, 21 March 2024

Key Certified Auditor

Jarosław Dac

certified auditor

no in the register: 10138

on behalf of:

Ernst & Young Audyt Polska spółka z ograniczoną odpowiedzialnością sp. k.

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