Interim Report
of the Dino Polska S.A. Group
for H1 2019

Unofficial translation. Only the Polish version is binding.

Dino Polska Spółka Akcyjna ("Dino", "Company", "parent company") Joint stock company with its registered office in Krotoszyn and its address at ul. Ostrowska 122, 63-700 Krotoszyn, entered in the register of businesses of the National Court Register under file number 0000408273. Taxpayer Identification Number [NIP]: 6211766191, Statistical Number [REGON]: 300820828. The Company's share capital as at 30 June 2019 was PLN 9,804,000.00 and consisted of 98,040,000 shares with a nominal value of PLN 0.10 each.

This document ("Interim H1 2019 Report", "Report") comprises the interim condensed consolidated financial statements of the Dino Polska S.A. Group ("Group", "Dino Group") for the 6-month period ended 30 June 2019 ("Financial Statements"), the Company's interim condensed financial statements for the 6-month period ended 30 June 2019 and additionally the information required by the pertinent legal regulations.

Unless specified otherwise, the data in this Report comes from Dino. This document was prepared on 19 August 2019 ("Report Date").

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1. Dino Group's financial highlights

	6 months period ended 30 June		*6 months period ended 30 June*	
	2019	*2018*	*2019*	*2018*
under IFRS, unaudited	*PLN '000*		*EUR '000**	
Sales	3,500,142	2,681,136	816,264	632,418
Operating profit	236,843	176,957	55,234	41,740
Profit before tax	209,437	156,459	48,843	36,905
Net profit for the year	172,457	126,455	40,219	29,828
Basic / Diluted earnings per share (PLN, EUR)	1.76	1.29	0.41	0.30
Net cash flows from operating activities	257,416	211,205	60,032	49,818
Net cash flows from investing activities	(434,248)	(278,495)	(101,271)	(65,691)
Net cash flows from financing activities	256,067	61,603	59,717	14,531
Net increase/(decrease) in cash and cash equivalents	79,235	(5,687)	18,478	(1,341)

*Based on average EUR/PLN exchange rate at the end of each month in first half of the year published by the National Bank of Poland (1 EUR = 4,288 PLN in 2019 and 1 EUR = 4,2395 PLN in 2018)

	As at		*As at*	
	6/30/2019	*12/31/2018*	*6/30/2019*	*12/31/2018*
under IFRS, unaudited	*PLN '000*		*EUR '000***	
Total assets	3,791,271	3,287,690	891,644	764,579
Total non-current assets	2,854,801	2,458,378	671,402	571,716
Total current assets	936,470	829,312	220,242	192,863
Total equity	1,384,330	1,211,873	325,571	281,831
Share capital	9,804	9,804	2,306	2,280
Total long-term liabilities	1,027,643	693,176	241,685	161,204
Total current liabilities	1,379,298	1,382,641	324,388	321,544

**Based on the average EUR/PLN exchange rate of the National Bank of Poland as at 31.12.2019 (1 EUR = 4,252 PLN) and 31.12.2018 (1 EUR = 4,3 PLN)

2. Management Board Activity Report

2.1. Operations of the Dino Group

2.1.1. Business profile

Dino is a Polish network consisting of medium-sized grocery supermarkets located close to clients' places of residence. The Company is one of the fastest growing retail grocery networks in Poland measured by the number of stores and revenues.

Dino Polska's business model combines the advantages of the format provided to customers by medium-sized stores situated in convenient locations, in most cases close to their places of residence or featuring much more traffic, with the ability to open new stores quickly and an attractive product range, comprising primarily branded and fresh products at competitive prices.

As at 30 June 2019, the Dino network consisted of 1,056 stores with a total selling area of 407,684 square meters. The Dino Group has many years of experience and a proven capacity to open new stores, enabling it to grow its number of stores by 499, i.e. 90%, in the period of three years up to 30 June 2019. Its network expansion has been accompanied by significant like for like (LFL) revenue growth in its existing store network, which in H1 2019 stood at 11.1% compared to the corresponding period of 2018. The Dino Group continues to develop its network, consistently looking for sites for its new stores.

Dino Polska's operating strategy is based on a standard store design, equipped with parking places for its customers and supplied with fresh products every day of the week (except for Sundays). Most stores have a sales floor area of approx. 400 square meters. Each store offers its customers approx. 5,000 stock keeping units (SKUs), for the most part well-known branded products and fresh products as well as a meat counter manned by store staff.

The Dino Polska Group's business model is scalable to a large extent. It comprises centralized management supported by suitable IT systems, a logistics network based on four distribution centers and the transportation network managed by Dino. Dino sources most products directly from producers or their main representatives. The large and constantly growing volumes of orders we place with suppliers accrue benefits in the form of economies of scale. They enable Dino to make purchases on favorable terms that should improve steadily as the sales network continues to expand. These drivers, combined with operational leverage and store network maturation, consistently enhance the Dino Polska Group's profitability.

Dino's strategy assumes further business development through focus on three key areas:

- continuation of rapid organic growth in the number of stores – the Management Board of Dino Polska intends to maintain the high pace of growth of the selling area in Dino stores in subsequent years. The Management Board of Dino Polska plans to continue to leverage the network's ability to grow organically in its current form by doing the following: (i) continuing to drive up its store density in its current areas of operation and (ii) steadily expanding in new regions, which ultimately should have a similar saturation of Dino stores to other regions.

- continuing to grow LFL sales revenues in the current store network – to continue growing LFL sales revenues in the existing store network the Dino Group will take actions to augment customer traffic in Dino stores and the basket value per customer.

- consistent improvement of profitability – in past years the Dino Group generated sustainable growth in its EBITDA margin. The aim is to continue to improve profitability thanks to increasing scale of operations, favorable business model and strategic initiatives undertaken by the Dino Group.

2.1.2. Recap of the Dino Group's operations in H1 2019[1]

In H1 2019, the Dino Group's revenue totaled PLN 3,500.1 million and was PLN 819.0 million, i.e. 30.5%, higher than in H1 2018. Concurrently, the cost of sales rose 29.2% do PLN 2,649.2 million.

In Q2 2018, the Dino Group's revenue totaled PLN 1,939.7 million and was PLN 529.8 million, i.e. 37.6% higher than in Q2 2018. Concurrently, the cost of sales rose 36.8% to PLN 1,472.2 million.

The table below presents selected line items from the consolidated statement of profit or loss

(PLN 000s)	H1 2019	H1 2018	Change H1 2019 / H1 2018	Q2 2019	Q2 2018	Change Q2 2019 / Q2 2018
Sales revenues	**3,500,142**	**2,681,136**	**30.5%**	**1,939,666**	**1,409,828**	**37.6%**
Cost of sales	(2,649,240)	(2,050,360)	29.2%	(1,472,211)	(1,076,517)	36.8%
Gross profit on sales	**850,902**	**630,776**	**34.9%**	**467,455**	**333,311**	**40.2%**
Other operating income	3,146	3,083	2.0%	1,871	1,689	10.8%
Sales and marketing expenses	(577,124)	(429,095)	34.5%	(303,933)	(222,815)	36.4%
General administration expenses	(35,060)	(26,901)	30.3%	(19,880)	(13,980)	42.2%
Other operating expenses	(5,021)	(906)	454.2%	(3,286)	(514)	539.4%
Operating profit	236,843	176,957	33.8%	142,226	97,691	45.6%
Financial income	255	147	73.5%	184	(15)	-
Financial expenses	(27,661)	(20,645)	34.0%	(15,323)	(10,506)	45.9%
Profit before tax	**209,437**	**156,459**	**33.9%**	**127,088**	**87,170**	**45.8%**
Income tax	(36,980)	(30,004)	23.3%	(21,595)	(16,663)	29.6%
Net profit	**172,457**	**126,455**	**36.4%**	**105,492**	**70,507**	**49.6%**

In H1 2019 EBITDA climbed year-on-year 36.8% to PLN 313.2 million. The EBITDA margin was 8.9%, up 0.4 percentage points from H1 2018. In Q2 2019 EBITDA shot up 45.4% to PLN 181.2 million. The EBITDA margin was 9.3%, up 0.5 percentage points from Q2 2018.

The following table presents EBITDA

(PLN 000s)	H1 2019	H1 2018	Change H1 2019 / H1 2018	Q2 2019	Q2 2018	Change Q2 2019 / Q2 2018
Net profit	**172,457**	**126,455**	**36.4%**	**105,492**	**70,507**	**49.6%**
Income tax	(36,980)	(30,004)	23.3%	(21,595)	(16,663)	29.6%
Result on financing activity	(27,406)	(20,498)	33.7%	(15,139)	(10,521)	43.9%
Depreciation and amortization	76,404	52,030	46.8%	39,006	26,924	44.9%
EBITDA	**313,247**	**228,987**	**36.8%**	**181,232**	**124,615**	**45.4%**
EBITDA margin	8.9%	8.5%		9.3%	8.8%	

[1]*financial results are presented: (i)* under IFRS 16 (for 2019 data) – *see section 2.4 Impact exerted by the IFRS 16 standard, (ii) transformation of comparable data – see section 2.5 Other information – Correction of errors of previous periods*

Sales revenues

Significant top line improvement is the outcome of Dino's store network roll-out to open new stores and growing revenues in the existing store network (like for like, LfL)[2]. LfL sales growth in H1 2019 was 11.1%, compared to the corresponding period of 2018.

In Q2 2019 LFL sales growth was 16.6%. The high pace of LfL sales growth in Q2 2019 versus Q2 2018 ensues from the shift in the Easter holidays from Q1 (in 2018) to Q2 in 2019.

The following table presents a comparison of the inflation trends in Poland and top line LFL growth in Dino's current store network.

%	H1 2019	Q2 2019	Q1 2019	H1 2018	Q2 2018	Q1 2018	2018	2017	2016
Inflation (deflation)	1.8	2.4	1.2	1.6	1.7	1.5	1.6	2.0	(0.6)
Food price inflation	3.3	4.7	1.8	3.6	3.2	3.9	2.6	4.2	0.8
Dino's LFL	**11.1**	**16.6**	**5.0**	**14.7**	**10.0**	**20.3**	**11.6**	**16.2**	**11.3**

Fresh products, including meat, cold cuts and poultry, accounted for 38.9% of the Group's sales in Q2 2019 and for 39.0% in H1 2019, i.e. signifying growth of 0.7 percentage points and 0.6 percentage points, respectively in relation to the corresponding periods of 2018.

The table below shows the structure of sales revenues by product in individual periods.

%	**H1 2019**	**H1 2018**	**Q2 2019**	**Q2 2018**
Fresh products	39.0	38.4	38.9	38.1
Dry grocery products, beverages, alcohol and cigarettes	49.2	50.0	49.5	50.3
Non-grocery products	11.8	11.6	11.6	11.6

Dino store network roll-out

In Q2 2019, 48 new Dino stores were launched. 81 new stores were opened in total in H1 2019 versus 74 in the corresponding period of last year. As at 30 June 2019, the Dino network numbered 1,056 stores, 207 more than last year.

The following table presents information on the Dino Group's number of stores as at specified dates.

	Number of stores as at 30 June		**Number of stores as at 31 December**		
	2019	**2018**	**2018**	**2017**	**2016**
Number of new store openings in H1 / year	81	74	202	147	123
Total number of stores	1056	849	977	775	628
Total selling area (m^2)	407,684	324,913	375,715	295,226	238,416
Growth of sales area y/y	25.5%	26.4%	27.3%	23.8%	24.4%

Cost of sales

The cost of sales was 75.7% and 76.5% of revenue, respectively in H1 2019 and H1 2018. The cost of sales rose PLN 598.9 million, i.e. by 29.2% to PLN 2,649.2 million in H1 2019 compared to PLN 2,050.4 million in H1

[2] *stores are included in the calculation of LfL revenues starting from the 13th full month of their existence*

2018, with a corresponding 30.5% increase of revenue. This growth was caused mainly by the Dino Group's growing business size in connection with the expansion of the Dino Group's store network and rising sales in the existing store network (LFL).

Sales and marketing expenses

Sales and marketing expenses grew by PLN 148.0 million, i.e. 34.5% to PLN 577.1 million in H1 2019 compared to PLN 429.1 million in H1 2018. This growth was mainly driven by the Dino Group's growing business size and the related expansion of the Dino Group's store network and rising LFL sales in its existing store network, thereby necessitating higher costs associated with store upkeep, storage of merchandise and marketing.

General administration expenses

General administration expenses rose PLN 8.2 million, or 30.3%, to PLN 35.1 million in H1 2019 compared to PLN 26.9 million in H1 2018. This was caused mainly by the expansion of the Dino Group's store network (some administrative functions expanded in line with the Dino Group's store network's rollout).

Costs by nature

The following table presents costs by nature.

(PLN 000s)	**H1 2019**	**H1 2018**	**Change H1 2019 / H1 2018**	**Q2 2019**	**Q2 2018**	**Change Q2 2019 / Q2 2018**
Depreciation and amortization	76,404	52,030	46.8%	39,006	26,924	44.9%
Consumption of materials and energy	310,295	231,437	34.1%	182,413	118,610	53.8%
External services	140,673	109,664	28.3%	75,995	57,686	31.7%
Taxes and fees	20,023	15,303	30.8%	10,646	7,773	37.0%
Costs of employee benefits	402,450	300,133	34.1%	213,983	157,991	35.4%
Other costs by nature	13,950	7,875	77.1%	8,069	4,489	79.8%
Cost of goods and materials sold	2,301,732	1,792,153	28.4%	1,268,250	942,193	34.6%
Total costs by nature, including:	**3,265,527**	**2,508,595**	**30.2%**	**1,798,362**	**1,315,666**	**36.7%**
Items captured in cost of sales	2,649,240	2,050,360	29.2%	1,472,211	1,076,517	36.8%
Items captured in sales and marketing expenses	577,124	429,095	34.5%	303,934	222,815	36.4%
Items captured in general administration expenses	35,060	26,901	30.3%	19,880	13,980	42.2%
Movement in products	4,103	2,239	83.3%	2,337	2,354	-0.7%

Total costs by nature increased by PLN 756.9 million, or 30.2%, to PLN 3,265.5 million in H1 2019, compared to PLN 2,508.6 million in H1 2018, mainly as a result of higher: (i) cost of merchandise and materials sold (by PLN 509.6 million), (ii) costs of employee benefits (by PLN 102.3 million), (iii) consumption of materials and energy (by PLN 78.9 million) and (iv) external services (by PLN 31.0 million). This growth was caused mainly by the expansion of the Dino Group's store network and rising sales in the current store network (LFL).

The costs of employee benefits rose PLN 102.3 million, i.e. 34.1% to PLN 402.5 million in H1 2019 compared to PLN 300.1 million in H1 2018. This growth resulted primarily from the higher number of Dino Group employees from 14,803 as at 30 June 2018 to 18,327 as at 30 June 2019 in connection with the Dino Group's expanding business size and the related expansion of the Dino Group's store network and rising LFL sales in the existing network and, to a smaller extent, from the higher average salary in the Dino Group.

Consumption of materials and energy climbed PLN 78.9 million, or 34.1%, to PLN 310.3 million in H1 2019 compared to PLN 231.4 million in H1 2018. This growth was caused mainly by the higher costs of consumted materials and raw materials in connection with the Dino Group's expanding business size, the expansion of the

Dino Group's store network, rising LFL sales in the current store network and to a lesser extent the electricity price hike.

External services, which comprised in particular transportation services, lease and tenancy services and maintenance services increased by PLN 31.0 million, or 28.3%, to PLN 140.7 million in H1 2019 compared to PLN 109.7 million in H1 2018 roku. This growth was caused mainly by the Dino Group's growing business size and the related expansion of the Dino Group's store network and rising LFL sales in the current store network.

Financial expenses

The Dino Group's financial expenses rose PLN 7.0 million, or 34.0%, to PLN 27.7 million in H1 2019 compared to PLN 20.6 million in H1 2018. This growth was caused mainly by the higher amount of interest on loans and borrowings as a result of the Group's growing business and the related expansion of the Dino Group's store network and rising LFL sales in the current store network.

Balance sheet – assets – selected line items

(PLN 000s)	30.06.2019	31.03.2019	31.12.2018	30.06.2018	Change 30.06.19 / 31.12.18	Change 30.06.19 / 30.06.18
Property, plant and equipment (including right-of-use assets)	2,738,638	2,570,494	2,347,025	1,931,438	16.7%	41.8%
Intangible assets	98,457	98,568	95,024	93,509	3.6%	5.3%
Deferred tax assets	17,688	16,638	16,307	12,206	8.5%	44.9%
Total non-current assets	**2,854,801**	**2,685,720**	**2,458,378**	**2,037,179**	**16.1%**	**40.1%**
Inventories	489,075	451,458	445,357	376,425	9.8%	29.9%
Trade and other receivables	57,820	47,781	38,530	37,976	50.1%	52.3%
Income tax receivables	851	0	0	139	-	512.3%
Other non-financial assets	40,547	98,430	76,483	45,940	-47.0%	-11.7%
Cash and cash equivalents	348,177	164,192	268,942	171,656	29.5%	102.8%
Total current assets	**936,470**	**761,861**	**829,312**	**632,136**	**12.9%**	**48.1%**
TOTAL ASSETS	**3,791,271**	**3,447,581**	**3,287,690**	**2,669,315**	**15.3%**	**42.0%**

Total assets increased by PLN 503.6 million, i.e. 15.3%, from PLN 3,287.7 million as at 31 December 2018 to PLN 3,791.3 million as at 30 June 2019. Compared to 30 June 2018, total assets rose by PLN 1,122.0 million, or 42.0%.

As at 30 June 2019, the main components of total assets were: (i) property, plant and equipment (constituting 72.2%), (ii) inventories (constituting 12.9%) and (iii) cash and cash equivalents (constituting 9.2%).

Non-current assets rose by PLN 396.4 million, i.e. 16.1%, from PLN 2,458.4 million as at 31 December 2018 to PLN 2,854.8 million as at 30 June 2019. Compared to 30 June 2018, non-current assets rose by PLN 817.6 million, or 40.1%. In both cases this growth was caused mainly by higher property, plant and equipment which, in turn, was caused primarily by the Dino Group's network rollout (new Dino stores) and capital expenditures.

Current assets rose by PLN 107.2 million, i.e. 12.9%, from PLN 829.3 million as at 31 December 2018 to PLN 936.5 million as at 30 June 2019. Compared to 30 June 2018, Compared to 30 June 2018, current assets rose PLN 304.3 million, i.e. 48.1% primarily as a result of higher: (i) cash and cash equivalents (up PLN 158.1 million) and (ii) inventories (up PLN 112.7 million) which was caused mainly by the Dino Group's expanding business size.

Balance sheet – liabilities and equity – selected line items

(PLN 000s)	30.06.2019	31.03.2019	31.12.2018	30.06.2018	Change 30.06.19 / 31.12.18	Change 30.06.19 / 30.06.18
Equity	**1,384,330**	**1,278,838**	**1,211,873**	**1,030,948**	**14.2%**	**34.3%**
Share capital	9,804	9,804	9,804	9,804	0.0%	0.0%
Supplementary capital	1,652,132	1,307,273	1,307,273	1,307,272	26.4%	26.4%
Retained earnings	(285,106)	(45,739)	(112,704)	(293,628)	153.0%	-2.9%
Other equity	7,500	7,500	7,500	7,500	0.0%	0.0%
Total equity	**1,384,330**	**1,278,838**	**1,211,873**	**1,030,948**	**14.2%**	**34.3%**
Interest-bearing loans and borrowings and lease liabilities	745,622	752,289	585,328	537,295	27.4%	38.8%
Other liabilities	210	240	240	240	-12.5%	-12.5%
Liabilities by virtue of outstanding securities	269,463	99,853	99,829	99,789	169.9%	170.0%
Provisions for employee benefits	1,550	1,550	1,550	1,231	0.0%	25.9%
Provision for deferred tax liability	10,613	15,612	5,923	8,156	79.2%	30.1%
Accruals and deferred revenue	185	246	306	427	-39.4%	-56.6%
Total non-current liabilities	**1,027,643**	**869,790**	**693,176**	**647,138**	**48.3%**	**58.8%**
Trade and other payables	1,124,541	1,022,774	1,141,934	804,814	-1.5%	39.7%
Current part of interest-bearing loans and borrowings and lease liabilities	190,774	186,094	148,676	134,883	28.3%	41.4%
Liabilities by virtue of outstanding securities	702	636	654	637	7.3%	10.1%
Income tax liabilities	31,880	61,969	67,004	21,522	-52.4%	48.1%
Accruals and deferred revenue	30,860	26,939	23,832	29,023	29.5%	6.3%
Provisions for employee benefits and other provisions.	541	541	541	350	0.0%	54.5%
Total current liabilities	**1,379,298**	**1,298,953**	**1,382,641**	**991,229**	**-0.2%**	**39.2%**
Total liabilities	**2,406,941**	**2,168,743**	**2,075,817**	**1,638,367**	**16.0%**	**46.9%**
TOTAL EQUITY AND LIABILITIES	**3,791,271**	**3,447,581**	**3,287,690**	**2,669,315**	**15.3%**	**42.0%**

As at 30 June 2019, the main components of liabilities were: (i) trade and other payables (current part) representing 46.7%; (ii) interest bearing loans, borrowings and liabilities under lease agreements (non-current portion) representing 31.0% of total liabilities and (iii) current part of interest-bearing loans and liabilities under financial lease agreements representing 7.9%.

Total liabilities rose PLN 331.1 million, i.e. 16.0%, from PLN 2,075.8 million as at 31 December 2018 to PLN 2.406.9 million as at 30 June 2019. Total liabilities rose by PLN 768.6 million, i.e. 46.9% from PLN 1,638.4 million as at 30 June 2018 to PLN 2,406.9 million as at 30 June 2019.

Non-current liabilities increased by PLN 334.5 million, or 48.3%, from PLN 693.2 million as at 31 December 2018 to PLN 1,027.6 million as at 30 June 2019, predominantly as a result of higher liabilities for outstanding bonds (by PLN 169.6 million) and interest-bearing loans and borrowings and lease liabilities (by PLN 160.3 million) caused by the expansion of the Dino Group's store network.

Compared to 30 June 2018, non-current liabilities rose PLN 380.5 million, or 60.0%, due to the expansion of the Dino Group's store network.

Current liabilities fell PLN 3.3 million, or 0.2% from PLN 1,382.6 million as at 31 December 2018 to PLN 1,379.3 million. Compared to 30 June 2018, current liabilities increased by PLN 388.1 million, or 39.2%, driven predominantly by an increase in trade and other payables (by PLN 319.7 million mainly as a result of the expansion of the Dino Group's scale of business).

The Dino Group's net debt[3] stood at PLN 858.4 million as at 30 June 2019, signifying growth of PLN 282.8 million compared to 31 December 2018 and growth of PLN 257.4 million compared to 30 June 2018. The net debt to EBITDA ratio for the last 12 months was 1.4x as at 30 June 2019.

Cash flows

(PLN 000s)	**H1 2019**	**H1 2018**	**Change H1 2019 / H1 2018**	**Q2 2019**	**Q2 2018**	**Change Q2 2019 / Q2 2018**
Net cash from operating activities, including:	257,416	211,205	21.9%	241,171	162,625	48.3%
profit before tax	209,437	156,459	33.9%	127,087	87,170	45.8%
depreciation and amortization	76,404	52,030	46.8%	39,006	26,924	44.9%
movement in working capital	17,531	1,656	958,7%	111,606	43,910	154.2%
other	(45,956)	1,060	-	(36,529)	4,621	-
Net cash from investing activities	(434,248)	(278,495)	55.9%	(193,092)	(160,185)	20.5%
Net cash from financing activities	256,067	61,603	315.7%	135,905	11,407	1091.4%
Net increase in cash and cash equivalents	**79,235**	**(5,687)**	**-**	**183,985**	**13,847**	**1228.7%**

The Dino Group generated net operating cash flow in H1 2019 totaling PLN 257.4 million. In H1 2018 it was PLN 211.2 million. The increase in net cash from operating activities was driven mainly by the higher magnitude of the Dino Group's business, i.e. predominantly the growing top line following from expansion of the store network and rising LFL sales in the existing store network. Top line growth was higher than the corresponding increase in operating expenses and the related expenditures.

Net cash flow from investing activities totaled PLN -434.2 million in H1 2019 and was up PLN 155.8 million, or by 55.9% compared to investing cash flow in H1 2018. This was mostly caused by the upswing in the number of new Dino store openings in H1 2019 and the development of its warehouse capacity. At the turn of 2018 and 2019 the Company launched its fourth distribution center in Rzeszotary in Lower Silesia, while in Q2 2019 the construction of the distribution center in Wolbórz was completed. The distribution center in Piotrków Trybunalski, which was leased until now, will be relocated to Wolbórz.

2.1.3. Factors impacting Dino's operations and results

In the opinion of the Dino Management Board, the following factors will affect the Dino Group's business until the end of 2019:

- pace of new store openings by Dino Polska and the related capital expenditures,
- favorable economic situation in Poland resulting in increasing disposable income and consumption expenditures of customers;
- growth rate of the prices of consumer goods and services, in particular food and soft drinks,
- regulatory environment: government programs translating into incremental disposable income for consumers and the possible deployment of a sales tax;
- improved efficiency of the Company's operations, benefits resulting from economies of scale and optimization of operating expenses; improved efficiency of logistics services provided to all stores,
- declining unemployment and unstable and uncertain situation on the labor market in various regions of the country.

[3] *defined as interest-bearing loans and borrowings and liabilities under financial lease agreements + liabilities by virtue of outstanding securities + current part of interest-bearing loans and borrowings and lease liabilities minus cash and cash equivalents.*

Due to uncertainty about the future state of the economy, the Management Board's expectations and projections are subject to a high dose of uncertainty.

2.1.4. Threats and risks related to the other months of the year

The demanding situation on the labor market may unfavorably affect the Dino Group's operations

The Dino Group operates in a sector characterized by relatively high employee turnover. The dwindling level of unemployment in Poland, which is accompanied by a high level of competition for store employees between entities operating in the retail trade sector, may contribute to the Dino Group sustaining higher employee attrition and troubles with attracting new employees. Moreover, the aforementioned factors may exert more pressure on raising the costs of wages. The occurrence of these circumstances may exert an adverse impact on the Dino Group's business, its financial standing, performance or prospects.

Changes to the general economic situation, which are beyond Dino Group's control, may result in lower consumer demand, which may have an adverse impact on the Dino Group's business

The Dino Group operates in Poland on the grocery retail market, which depends on the demand generated by consumers. The demand generated by consumers is the derivative of a number of factors being beyond the Dino Group's control, in particular the macroeconomic situation and political conditions. Change of the economic factors in the market in Poland, in the EU or globally, including changes in the GDP growth rates, total inflation, deflation of food prices, increase of the unemployment rate, decline of salaries or decrease of expenditures on consumption and investments, may have adverse impact on the Dino Group or the sector in which the Dino Group operates, including the sales revenues generated by the Dino Group or its costs.

The Dino Group may not be able to implement its store rollout strategy

The Dino Group's strategy provides for, among others, further growth through continuation of fast organic growth of the store network. Successful implementation of the Dino Group's development strategy depends, among others, on the economic conditions, access to external financing, absence of unfavorable changes in the regulatory environment, finding and acquisition of real estate on acceptable commercial terms which satisfy the requirements set by the Dino Group, efficient opening of new stores, employment, training and retention of store personnel, and integration of the new stores with the supply chain operating in the Dino Group in a manner ensuring the highest possible profitability.

Even if the Dino Group manages to open new stores in line with the adopted strategy, the newly opened stores may not break even within the originally assumed timelines or at all, or the increase in sales revenues or sales revenue in the existing store network (LFL) may turn out lower than assumed by the Management Board, and the Dino Group may be exposed to incurring additional, unexpected costs associated with opening new stores. In addition, the analysis carried out by the Dino Group before opening a given store may turn out incorrect among others due to lower than expected customer traffic in the vicinity of the store or unexpected circumstances. The occurrence of these circumstances may exert an adverse impact on the Dino Group's business, its financial standing, performance or prospects.

The market on which the Dino Group conducts operations is characterized by high competition, and the pressure from the competitors may have adverse impact on the margins or growth prospects

The market on which the Dino Group conducts operations is characterized by high competition due to the presence and constant growth of big organized retail chains, including supermarkets, discount stores and convenience stores, which frequently operate on a scale greater than the Dino Group's scale of business. There is no certainty that the Dino Group will be able to compete effectively with its current or future competitors, in

particular in terms of prices and promotions and in terms of the product assortment offered, which could bring about a decline in the Dino Group's rate of growth, stagnation or a decline in the Dino Group's market share and a reduction in its profitability. As a consequence, this could adversely affect the Dino Group's business, financial position and results.

Unclear interpretation of Polish law or change of law may adversely affect the Dino Group

The activities of the Dino Group are subject to various regulations in Poland (among others in respect to food production, fire and safety regulations, provisions of labor law and environmental law). If the Dino Group does not operate in compliance with these requirements, it may be liable to pay penalties, fees or damages as provided for by the relevant legislation and may even be required to suspend part of its operations. Also, a significant number of laws and regulations relevant to the activities of the Dino Group have been changed and may be changed or made more stringent in the future.

Instability of the legal system and regulatory environment increases the risk of incurring significant additional and unforeseen costs, as well as the costs of adjusting the operations to the changing legal environment in the context of the activities conducted by the Dino Group, which may adversely affect the Dino Group's activities, financial standing, growth prospects and results.

Implementation of the retail sales tax may adversely affect the Dino Group

On 1 September 2016, the Act of 6 July 2016 on Retail Sales Tax ("**Retail Sales Tax Act**") came into force in Poland. Under the Retail Sales Tax Act, the Company was required to pay a retail tax of 0.8% of its monthly revenue in excess of PLN 17 million and 1.4% of its monthly revenue above PLN 170 million.

On 19 September 2016, the European Commission issued an injunction suspending Poland's collection of this tax because it was deemed to breach the EU state aid rules as it gives small retailers certain privileges. As a consequence of the above, there is a dispute between the EC and Poland in progress before the Court of Justice of the European Union regarding the possibility of implementing this tax, while the application of the regulations of the Retail Sales Tax Act has been suspended until the end of 2019.

The entry into force of the foregoing tax will drive up the Dino Polska Group's tax costs and it may attenuate its profitability, which may have an adverse effect on the Dino Polska Group's business, financial standing and growth prospects.

Changes in the tax law applicable to the operations of the Dino Group or its interpretation, as well as changes in individual tax rulings may adversely affect the Dino Group

The regulations of Polish tax law are complicated and change frequently. The practice of applying tax law by tax authorities is not homogeneous, while the jurisprudence of administrative courts on this subject often exhibits material differences. There can be no assurance that the tax authorities will not issue a different tax ruling in regard to the tax regulations applied by the Company or Dino Group companies, which could be unfavourable to the Company or Dino Group companies.

In particular, the Dino Polska Group cannot give an assurance that, as tax avoidance provisions are introduced that use general clauses and the interpretation and application of which will be developed in practice by the tax authorities and the jurisprudence of the administrative courts, the tax authorities will assess the tax effects of operations conducted by the Company or by the Dino Polska Group companies differently than the Group does. This may apply in particular to restructuring transactions, which generate a tax advantage for the taxpayer, after the regulations containing a tax avoidance clause become effective. Also, there can be no assurance that the individual tax rulings obtained and applied by the Company or the Dino Polska Group companies will not change or be rendered inoperative for the same reason. The legislative practice also shows a tendency to enact legal acts in the field of tax law that may have retroactive effect, which may influence the amount of tax settlements.

There is also a risk that, as new regulations and the new retail sales tax are implemented or VAT increases, the Company or the Dino Group companies will have to undertake adaptive efforts, caused by the circumstances, which may lead to considerable expenses of adaptation to the new regulations or possibly to a decrease in the level of sales and revenues of the Dino Group (if VAT increases). On account of the above, there is no assurance that the tax authorities will not challenge the correctness of tax settlements made by the Company or the Dino Group companies in respect of tax liabilities for which the period of limitation has not expired and the determination of tax arrears of these entities, which may have an adverse effect on the Dino Group's business, financial standing and results.

2.2. Shareholders of the Company and shares held by management board and supervisory board members

As at the Report Date, the Company's share capital is PLN 9,804,000 and is divided into 98,040,000 series A ordinary bearer shares with a par value of PLN 0.10 each. There are no shares in the Company with special control powers attached. Nor are there any restrictions on the exercise of voting rights or transferability of legal title to Dino Polska shares.

Shareholding structure of Dino Polska S.A. as at the Report Date

	Number of shares and number of votes at the Shareholder Meeting	Share in the share capital and in votes at the Shareholder Meeting
Tomasz Biernacki with a subsidiary[4]	50,103,000	51.10%
Other shareholders	47,937,000	48.90%

As at the Report Date, to the Company's best knowledge, the only holder of Dino Shares representing, directly or indirectly, at least 5% of the total number of votes at the Shareholder Meeting, is Tomasz Biernacki, Chairman of the Dino Polska Supervisory Board.

At the Report Date, Szymon Piduch, President of the Management Board, held 141,000 shares. Compared to 31 March 2019 and the publication date of the Q1 2019 annual report, the number of shares held by Szymon Piduch has not changed. Michał Krauze, a Management Board Member, held 30,000 Company shares as at the Report Date. Compared to 31 March 2019 and the publication date of the Q1 2019 annual report, the number of shares held by Michał Krauze has not changed. Jakub Macuga, a Management Board Member, held 850 Company shares as at the Report Date. Compared to 31 March 2019 and the publication date of the Q1 2019 annual report, the number of shares held by Jakub Macuga has not changed.

Among the Supervisory Board members, as at the Report Date the following members held shares in Dino: Tomasz Biernacki (Supervisory Board Chairman) – as detailed in the table above and Eryk Bajer (Supervisory Board Member) – 19,900 shares and Sławomir Jakszuk (Supervisory Board Member) – 1,600 shares.

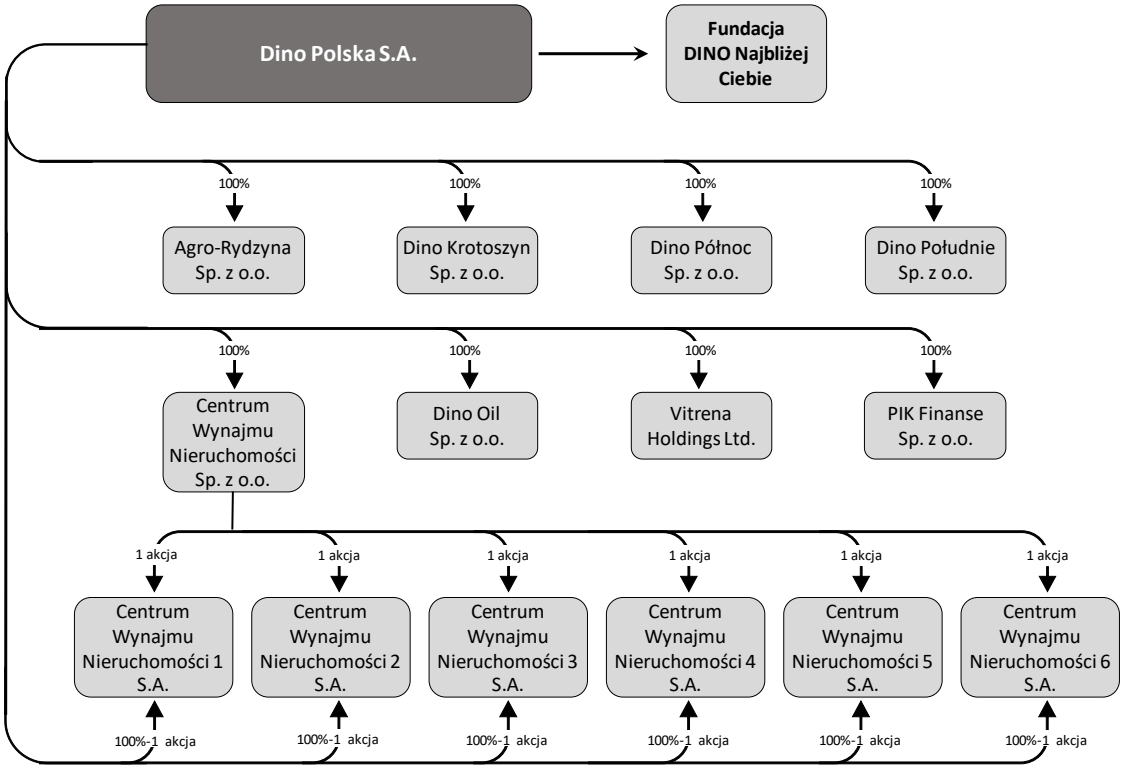
2.3. Group – general information and description of the changes in its organization

Dino Polska is the parent company of the Dino Polska Group. The company runs a business involving the management of the store network under the Dino brand. The Company manages, among others, the logistics of supply of products to the stores, sales, product range offered in the stores and supports other Subsidiaries (Real Estate Lease Centers) execution of investment processes related to securing new sites and building new stores. The Company also owns some of the real properties on which the stores are located and leases facilities in which the stores are located from third parties and other Group Companies that own the properties.

Dino Polska is run by a three-person Management Board in the following composition: Szymon Piduch, Chief Executive Officer and President of the Management Board, Michał Krauze, Chief Financial Officer and Management Board Member and Jakub Macuga, Chief Operating Officer and Management Board Member. Jakub Macuga was appointed to the Management Board by the Company's Supervisory Board in April 2019.

[4] *BT Kapitał Sp. z o.o., a subsidiary of Tomasz Biernacki, holds a total of 103 thousand Company shares*

The Group consists of Dino Polska S.A. and the following subsidiaries:



2.4. Impact exerted by the IFRS 16 standard

As of 2019, the Dino Polska Group prepares consolidated financial statements in compliance with the new IFRS 16 standard on the measurement and presentation of leases.

The Group has implemented IFRS 16 using the modified retrospective method, which means that the Group does not restate data from previous periods. To facilitate data comparability information is presented below on the impact exerted by the application of the IFRS 16 standard on the results of H1 2019.

- impact on EBITDA: increase by PLN 5,753 thousand (mainly as a result of lower lease expenses in external services)
- depreciation and amortization: increase by PLN 5,136 thousand
- impact on operating profit: increase by PLN 617 thousand (mainly as a result of lower lease expenses in external services and higher depreciation and amortization)
- financial expenses: increase by PLN 1,086 thousand
- profit before tax: decrease by PLN 469 thousand
- non-current lease liabilities: increase by PLN 50,122 thousand
- current lease liabilities: increase by PLN 9,586 thousand

2.5. Other information

Change of estimates and corrections of errors

To ensure comparative data a correction of an error was made in respect of the recognition of revenue and costs related to transactions involving press and mobile telephone top-ups as discussed in the 2018 financial statements. Accordingly, revenue and cost of sales in H1 2018 were reduced by PLN 27,936 thousand.

Moreover, the Group has made a change to the method of presentation involving the recognition of receivables for payment cards in the line item Trade and other receivables instead of in the line item Cash and cash equivalents. Accordingly, the pertinent reclassification has been made totaling PLN 35,794 thousand in H1 2019, PLN 16,419 thousand in 2018 and PLN 18,431 thousand in H1 2018. This figure in the various quarters was as follows: PLN 20,218 thousand in Q1 2018, PLN 23,024 thousand in Q3 2018 and PLN 28,875 thousand in Q1 2019. Moreover, data have been restated in the interim consolidated cash flow statement.

Non-recurring amounts and events

No amounts or non-recurring events exerting a material impact on the results of the Company and the Group transpired in the period from 1 January 2019 to 30 June 2019.

Position of the Management Board on possibility of achieving the previously published financial performance forecasts

The Company's Management Board did not publish any forecasts for 2019.

Information about litigation and material proceedings pending in a competent body for arbitration or a public administrative authority

According to the Company's best knowledge, no material proceedings pertaining to liabilities or accounts receivable of Dino Polska or its subsidiaries are pending before a court, competent authority for an administrative proceeding or public administration authority.

Information on related party transactions

In the reporting period there were no related party transactions that were not executed on an arm's length basis. Information on related party transactions is set forth in note 22 to the Interim consolidated condensed financial statements of Dino Polska for H1 2019.

Sureties for loans or borrowings or guarantees extended by the issuer or its subsidiary

Neither Dino Polska, nor any subsidiary of Dino Polska extended any material sureties or guarantees to entities from outside the Dino Group in H1 2019.

Other information that can materially affect the assessment of the issuer's assets, financial position and financial result

On 11 February 2019 two investment loan agreements were executed ("Loans"): i) between the Company and Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna with its registered office in Warsaw, ul. Puławska 15 ("PKO BP SA") for an amount of PLN 80 million and ii) between Dino Południe Sp. z o.o., a Company subsidiary and PKO BP SA for an amount of PLN 70 million ("Agreements"). The total value of the Loans is PLN 150 million. These Agreements have been signed to finance the ongoing network rollout of stores run by the Company under the Dino brand and its logistical base. The loans were extended in the Polish currency for a period from 11 February 2019 to 11 August 2026. The interest on the Loans will be set using a floating interest rate equal to the WIBOR 1M reference rate plus PKO BP SA's margin. The collateral for the Loans is as follows: i) contractual mortgages up to PLN 225 million on real estate owned by the Company and Dino Południe Sp. z o.o., developed with the Company's stores and warehouses; ii) blank promissory notes issued by the borrowers along with promissory note declarations; iii) transfer of cash accounts receivable from insurance agreements for the real estate forming the collateral; and iv) in respect of the agreement signed by Dino Południe Sp. z o.o., a surety under civil law issued by the Company.

On 6 June 2019 the Dino Polska Management Board decided to commence the construction of a new distribution center for the Company in the town of Łobez in the Western Pomeranian region. This investment will involve

the comprehensive construction and fit-out of the freezer, refrigerated storage area, controlled-temperature warehouses, dry goods warehouse and social and office space with the accompanying technical infrastructure, internal roads and parking spots. The total planned warehouse space will be 43.5 thousand square meters. The total (net) estimated cost of the investment will be approximately PLN 80 million and it will be financed using the Company's own funds and bank loans. The purpose of the new distribution center is to handle the deliveries of goods to the growing number of Dino stores and support the network's ongoing geographic expansion. The Company anticipates that the Investment will be completed in the second quarter of 2020.

On 26 June 2019 Dino Polska issued 1,700 series 1/2019 secured bearer bonds with a nominal value of PLN 100,000 each and a total nominal value of PLN 170,000,000 million ("Bonds").
The Bonds are secured by sureties given by selected Dino Polska S.A. Group companies. The issue price of the Bonds was equal to their par value. The bonds bear interest at a floating interest rate of WIBOR 3M plus a fixed margin of 1.30 percentage points per annum. The maturity date of the Bonds is 26 June 2022.

Principles for the preparation of the interim condensed consolidated financial statements

The interim condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standard 34 "Interim Financial Reporting" approved by the European Union ("IAS 34").

These interim consolidated condensed financial statements do not contain all the information and disclosures required in annual financial statements and should be read jointly with the Group's consolidated financial statements for the year ended 31 December 2018 approved for publication on 14 March 2019.

The interim condensed consolidated financial statements are presented in Polish zloty ("PLN"), while all the figures are stated in thousands of PLN, unless stated otherwise.

These interim condensed consolidated financial statements have been prepared based on the assumption that the Group companies will continue as a going concern in the foreseeable future, except for Vitrena Holdings Ltd., which is currently in liquidation.

As at 30 June 2019, the Group presented an excess of current liabilities over current assets, which is typical for the retail industry and its seasonality, where a predominant part of sales is made for cash, inventories are minimized, and suppliers offer deferred payment terms. At the same time, the Group intensively develops its network using free cash and funding from bank loans to increase the number of its operational stores. Covenants related to loan agreements are monitored on an ongoing basis. As at the balance sheet date of 30 June 2019, there was no default on the terms and conditions of loan agreements and the Management Board is of the opinion there is no risk that banks may terminate such agreements within 12 months of the balance sheet date of 30 June 2019. As at the date of approval of the consolidated financial statements, no circumstances have been found that would indicate a threat for the Group companies to continue as a going concern.

3. Management Board's representation

According to its best knowledge, the Dino Polska S.A. Management Board ("Company") represents that:

- the interim condensed financial statements of Dino Polska S.A. for the 6-month period ended 30 June 2019 and the comparable data have been prepared in accordance with the binding accounting principles and honestly, fairly and clearly reflect the assets and financial standing of the Dino Polska S.A. Group and its financial result,

- the interim consolidated condensed financial statements of the Dino Polska S.A. Group for the 6-month period ended 30 June 2019 and the comparable data have been prepared in accordance with the binding accounting principles and honestly, fairly and clearly reflect the assets and financial standing of the Dino Polska S.A. Group and its financial result,

- the Management Board's Report on the Activity of the Dino Polska S.A. Group in H1 2019 contains a true picture of the development, accomplishments and position of Dino Polska and the Dino Group, including a description of the fundamental threats and risks.

Szymon Piduch	Michał Krauze	Jakub Macuga
President of the Management Board	Management Board Member	Management Board Member

Krotoszyn, 19 August 2019

4. APPENDICES

4.1. Interim consolidated condensed financial statements of the Dino Polska S.A. Group for the 6-month period ended 30 June 2019

4.2. Interim condensed financial statements of Dino Polska S.A. for the 6-month period ended 30 June 2019

4.3. Auditor's reports on the review of the financial statements

DINO POLSKA S.A. GROUP

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE 6-MONTH PERIOD ENDED 30 JUNE 2019
WITH THE INDEPENDENT AUDITOR'S REPORT ON ITS REVIEW

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FINANCIAL HIGHLIGHTS

	PLN 000s		***EUR 000s****	
	from 1 January 2019 to 30 June 2019	***from 1 January 2018 to 30 June 2018***	***from 1 January 2019 to 30 June 2019***	***from 1 January 2018 to 30 June 2018***
Sales revenues	3,500,142	2,681,136	816,264	632,418
Operating profit	236,843	176,957	55,234	41,740
Profit before tax	209,437	156,459	48,843	36,905
Net profit	172,457	126,455	40,219	29,828
Number of shares	98,040,000	98,040,000	98,040,000	98,040,000
Basic / diluted earnings per share in PLN, EUR	1.76	1.29	0.41	0.30
Cash flow from operating activities	257,416	211,205	60,032	49,818
Cash flow from investing activities	(434,248)	(278,495)	(101,271)	(65,691)
Cash flow from financing activities	256,067	61,603	59,717	14,531
Net change in cash and cash equivalents	79,235	(5,687)	18,478	(1,341)

* In the case of data in EUR, the average EUR/PLN exchange rate in the period was used, as published by the National Bank of Poland:

- NBP's average exchange rate for H1 2019: PLN 4.2880/EUR;
- NBP's average exchange rate for H1 2018: PLN 4.2395/EUR.

	PLN 000s		***EUR 000s****	
	as at 30 June 2019	***as at 31 December 2018***	***as at 30 June 2019***	***as at 31 December 2018***
Total assets	3,791,271	3,287,690	891,644	764,579
Total non-current assets	2,854,801	2,458,378	671,402	571,716
Total current assets	936,470	829,312	220,242	192,863
Equity	1,384,330	1,211,873	325,571	281,831
Share capital	9,804	9,804	2,306	2,280
Non-current liabilities	1,027,643	693,176	241,685	161,204
Current liabilities	1,379,298	1,382,641	324,388	321,544

* In the case of data in EUR, the average EUR/PLN exchange rates in the period were used, as published by the National Bank of Poland:

- NBP's average exchange rate as at 30 June 2019: 4.2520 PLN/EUR;
- NBP's average exchange rate as at 31 December 2018: 4.3000 PLN/EUR.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Note	***01.01.2019-30.06.2019***	***01.01.2018-30.06.2018****	***01.04.2019-30.06.2019***	***01.04.2018-30.06.2018****
		(unaudited)	*(unaudited)*	*(unaudited)*	*(unaudited)*
Continuing operations					
Sales revenues	8	3,500,142	2,681,136	1,939,666	1,409,828
Cost of sales	10.1	(2,649,240)	(2,050,360)	(1,472,211)	(1,076,517)
Gross profit on sales		**850,902**	**630,776**	**467,455**	**333,311**
Other operating income	10.2	3,146	3,083	1,871	1,689
Sales and marketing expenses	10.1	(577,124)	(429,095)	(303,933)	(222,815)
General administration expenses	10.1	(35,060)	(26,901)	(19,880)	(13,980)
Other operating expenses	10.3	(5,021)	(906)	(3,287)	(514)
Operating profit		**236,843**	**176,957**	**142,226**	**97,691**
Financial income	10.4	255	147	184	(15)
Financial expenses	10.5	(27,661)	(20,645)	(15,323)	(10,506)
Profit before tax		**209,437**	**156,459**	**127,087**	**87,170**
Income tax	11	(36,980)	(30,004)	(21,595)	(16,663)
Net profit from continuing operations		**172,457**	**126,455**	**105,492**	**70,507**
Net profit for the reporting period		**172,457**	**126,455**	**105,492**	**70,507**

**restated data according to the description in note 5*

Profit attributable:				
To owners of the parent	172,457	126,455	105,492	70,507
Earnings per share:				
– basic earnings from profit attributable to owners of the parent	1.76	1.29	1.08	0.72
– basic earnings from profit from continuing operations attributable to owners of the parent	1.76	1.29	1.08	0.72
– diluted earnings from profit attributable to owners of the parent	1.76	1.29	1.08	0.72
– diluted earnings from profit from continuing operations attributable to owners of the parent	1.76	1.29	1.08	0.72

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	01.01.2019-30.06.2019	*01.01.2018-30.06.2018**	*01.04.2019-30.06.2019*	*01.04.2018-30.06.2018**
Net profit for the reporting period	**172,457**	**126,455**	**105,492**	**70,507**
Items not subject to reclassification to profit in subsequent reporting periods:				
Actuarial gains/(losses) on defined benefit plans	-	-	-	-
Income tax on other comprehensive income	-	-	-	-
Net other comprehensive income not subject to reclassification to profit/(loss) in subsequent reporting periods	**-**	**-**	**-**	**-**
Net other comprehensive income	**-**	**-**	**-**	**-**
Comprehensive income in the reporting period	**172,457**	**126,455**	**105,492**	**70,507**
Comprehensive income attributable:				
To owners of the parent	**172,457**	**126,455**	**105,492**	**70,507**
Non-controlling shareholders	**-**	**-**	**-**	**-**
	172,457	**126,455**	**105,492**	**70,507**

**restated data according to the description in note 5*

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2019

	Note	*30.06.2019*	*31.12.2018**
		(unaudited)	
ASSETS			
Property, plant and equipment	12	2,487,966	2,347,025
Right-of-use assets	4.1	250,672	-
Intangible assets	13	98,457	95,024
Other non-financial assets		18	22
Deferred tax assets	11	17,688	16,307
Total non-current assets		**2,854,801**	**2,458,378**
Inventories		489,075	445,357
Trade and other receivables		57,820	38,530
Income tax receivables		851	-
Other non-financial assets		40,547	76,483
Cash and cash equivalents		348,177	268,942
Total current assets		**936,470**	**829,312**
TOTAL ASSETS		**3,791,271**	**3,287,690**
EQUITY AND LIABILITIES			
Equity (attributable to owners of the parent)		**1,384,330**	**1,211,873**
Share capital		9,804	9,804
Supplementary capital		1,652,132	1,307,273
Retained earnings		(285,106)	(112,704)
Other equity		7,500	7,500
Non-controlling interests		**-**	**-**
Total equity		**1,384,330**	**1,211,873**
Interest-bearing loans and borrowings	16	629,803	518,240
Lease liabilities	16	115,819	67,088
Liabilities by virtue of outstanding securities	16	269,463	99,829
Other liabilities		210	240
Provisions for employee benefits	15	1,550	1,550
Deferred tax liability	11	10,613	5,923
Accruals and deferred revenue		185	306
Total non-current liabilities		**1,027,643**	**693,176**
Trade and other payables		1,124,541	1,141,934
Current part of interest-bearing loans and borrowings	16	128,523	103,837
Lease liabilities	16	62,251	44,839
Liabilities by virtue of outstanding securities	16	702	654
Income tax liabilities		31,880	67,004
Accruals and deferred revenue		30,860	23,832
Provisions for employee benefits	14	541	541
Total current liabilities		**1,379,298**	**1,382,641**
Total liabilities		**2,406,941**	**2,075,817**
TOTAL EQUITY AND LIABILITIES		**3,791,271**	**3,287,690**

**restated data according to the description in note 5*

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

for the 6-month period ended 30 June 2019

	Note	*01.01.2019-30.06.2019*	*01.01.2018-30.06.2018**
		(unaudited)	*(unaudited)*
Cash flow from operating activities			
Profit before tax		*209,437*	*156,459*
Adjustments for the line items:		*47,979*	*54,746*
Depreciation and amortization		76,404	52,030
(Profit)/loss on investment activity		1,364	530
Movement in trade receivables and other receivables	17.6	29,354	22,086
Movement in inventories		(43,718)	(8,163)
Movement in liabilities, except for loans and borrowings	17.6	31,895	(12,267)
Interest revenue		(212)	(147)
Interest expense		27,631	20,608
Movement in prepayments, accruals and deferred revenue		(5,093)	(671)
Movement in provisions		-	-
Income tax paid		(69,646)	(19,260)
Other		-	-
Net cash from operating activities		**257,416**	**211,205**
Cash flow from investing activities			
Sale of items of property, plant and equipment and intangible assets		582	837
Purchase of items of property, plant and equipment and intangible assets		(435,042)	(279,479)
Interest received		212	147
Net cash from investing activities		**(434,248)**	**(278,495)**
Cash flow from financing activities			
Payment of finance lease liabilities		(28,706)	(22,113)
Proceeds from obtained loans/borrowings		300,706	213,817
Repayment of loans/borrowings		(159,389)	(109,493)
Issue of debt securities	17.2	170,000	-
Interest paid		(26,544)	(20,608)
Net cash from financing activities		**261,820**	**61,603**
Net increase in cash and cash equivalents		79,235	(5,687)
Cash at the beginning of the period		**268,942**	**177,343**
Cash at the end of the period	**17.6**	**348,177**	**171,656**

**restated data according to the description in note 5*

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the 6-month period ended 30 June 2019

	Attributable to owners of the parent				
	Share capital	*Supplementary capital*	*Retained earnings*	*Other equity*	*Total*
As at 1 January 2019	**9,804**	**1,307,273**	**(112,704)**	**7,500**	**1,211,873**
Net profit for 2019	-	-	172,457	-	172,457
Comprehensive income for the year	-	-	*172,457*	-	*172,457*
Distribution of the 2018 financial result	-	344,859	(344,859)	-	-
As at 30 June 2019	**9,804**	**1,652,132**	**(285,106)**	**7,500**	**1,384,330**
As at 1 January 2018	**9,804**	**1,111,860**	**(224,671)**	**7,500**	**904,493**
Net profit for 2018	-	-	307,554	-	307,554
Net other comprehensive income for 2018	-	-	(174)	-	(174)
Comprehensive income for the year	-	-	*307,380*	-	307,380
Distribution of the financial result for 2017	-	195,413	(195,413)	-	-
As at 31 December 2018	**9,804**	**1,307,273**	**(112,704)**	**7,500**	**1,211,873**
As at 1 January 2018	**9,804**	**1,111,860**	**(224,671)**	**7,500**	**904,493**
Net profit for 2018	-	-	126,455	-	126,455
Comprehensive income for the year	-	-	*126,455*	-	*126,455*
Distribution of the financial result for 2017	-	195,412	(195,412)	-	-
As at 30 June 2018	**9,804**	**1,307,272**	**(293,628)**	**7,500**	**1,030,948**

ADDITIONAL NOTES

1. General information

The Dino Polska S.A. Group ("Group") consists of Dino Polska S.A. ("parent company", "Company") and its subsidiaries. The Group's interim condensed consolidated financial statements span the 6-month period ended 30 June 2019 and contain comparative data for the 6-month period ended 30 June 2018 and as at 31 December 2018.

The parent company is entered in the register of commercial undertakings of the National Court Register kept by the District Court for Poznań Nowe Miasto i Wilda, 9th Commercial Division of the National Court Register under file number KRS 0000408273. The parent company has been given the following statistical number: REGON 300820828.

The duration of the parent company and of the entities forming part of the Group is unlimited.

The Group's main line of business entails retail sales in non-specialized stores with a preponderance of food, beverages and tobacco products. Moreover, the Group also produces meat products, which are supplied to external customers through the Group's retail network.

The Group's interim condensed consolidated financial statements for the 6-month period ended 30 June 2019 were approved for publication by the Management Board on 19 August 2019.

The interim financial result may not fully reflect the financial result that may be generated in the financial year.

2. Changes to the Group's composition

No changes in the Dino Polska S.A. Group's composition transpired in the reporting period.

3. Basis for preparation of the interim condensed consolidated financial statements

These interim condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standard 34 "Interim Financial Reporting" approved by the European Union ("IAS 34").

These interim condensed consolidated financial statements do not contain all the information and disclosures required in annual financial statements and should be read jointly with the Group's consolidated financial statements for the year ended 31 December 2018 approved for publication on 14 March 2019.

These interim condensed consolidated financial statements are presented in Polish zloty ("PLN"), while all the figures are stated in thousands of PLN, unless stated otherwise.

These interim condensed consolidated financial statements have been prepared based on the assumption that the Group companies will continue as a going concern in the foreseeable future, except for Vitrena Holdings Ltd., which is currently in liquidation.

As at 30 June 2019, the Group presented an excess of current liabilities over current assets, which is typical for the retail industry and its seasonality, where a predominant part of sales is made for cash, inventories are minimized and suppliers offer deferred payment terms. At the same time, the Group intensively develops its network using free cash and funding from bank loans to increase the number of its operational stores. Covenants related to loan agreements are monitored on an ongoing basis.

As at the balance sheet date of 30 June 2019, there was no default on the terms and conditions of loan agreements and the Management Board is of the opinion there is no risk that banks may terminate such agreements within 12 months of the balance sheet date of 30 June 2019. As at the date of approval of these consolidated financial statements, no circumstances have been found that would indicate a threat for the Group companies to continue as a going concern.

4. Significant accounting principles (policies)

The accounting principles (policies) used to draw up the interim condensed consolidated financial statements are consistent with the ones that were used to draw up the Group's annual consolidated financial statements for the year ended 31 December 2018 except for the application of new or modified standards and interpretations in force for annual periods beginning on or after 1 January 2019.

The Group has applied IFRS 16 *Leases* ("IFRS 16") for the first time. According to the requirements of IAS 34 Interim Financial Reporting, the Group has disclosed a description of the type and consequences of modifying the accounting principles (policies) in the latter part of this note.

No other new or amended standards or interpretations that came into force for the first time in 2019 have any material impact on the Group's interim condensed consolidated financial statements.

4.1. IFRS 16 Leases

IFRS 16 replaces IAS 17 *Leases* ("IAS 17") and the interpretations related thereto. The standard specifies the standards for the recognition, measurement, presentation and disclosure of leases and requires for lessees to settle the majority of lease agreements under a single balance sheet model.

The lessor's accounts under IFRS 16 remain substantially unchanged compared to IAS 17. Lessors will continue to classify leases as operational or financial by applying similar standards as under IAS 17. That is also why IFRS 16 did not affect leases in which the Group is the lessor.

The Group holds lease agreements for store facilities and their infrastructure, equipment and means of transport. Prior to the adoption of IFRS 16 the Group (as a lessee) classified each lease agreement as a financial or operational lease as of the date of commencing the term of lease. A lease was classified as a financial lease if in principle the entire risk and all the benefits stemming from holding the leased object were transferred to the Group. Otherwise, a lease was classified as an operational lease. A financial lease was capitalized at the fair value of the leased object determined as at the date of commencing the term of the lease or at amounts equal to the present value of the minimum lease payments if that value was lower than the fair value. Lease payments were allocated to interest (recognized as financial expenses) and paying down the lease liability. In operating leases the subject of the agreement was not capitalized, while the lease payments were recognized as rental expenses in the statement of profit or loss according to the linear method over the term of the lease.

After adoption of IFRS 16 the Group applied one single approach to the recognition and measurement of all lease agreements in which it is the lessee, except for short-term leases and low value asset leases. The Group has disclosed lease liabilities and right-of-use assets for underlying assets.

The Group implemented IFRS 16 by applying the modified retrospective method, i.e. with the total effect of the initial application of the standard recognized on the date of initial application. The Group elected to utilize a practical solution allowing it to apply the standard only to agreements that have previously been identified as lease agreements according to IAS 17 on the date of initial application. The Group also elected to utilize exemptions on account of recognizing lease agreements whose term of lease on the date of commencement is 12 months or shorter and that do not contain a purchase option ("short-term lease") and lease agreements whose underlying asset has a low value ("low value assets"). In addition, the Group has utilized the following permissible practical solutions regarding leases previously classified as operational leases according to IAS 17:

- The Group applied a single discount rate to its portfolio of leases bearing similar attributes,
- The Group applied a simplified approach to lease agreements whose term ends after the elapse of 12 months from the date of initial application; this approach involves the recognition of these leases in accordance with the requirements pertaining to short-term lease agreements and the presentation of the costs related to them in a disclosure encompassing the costs incurred for short-term lease agreements.
- The Group excluded the initial direct costs under the measurement of a right-of-use asset on the date of initial application.

As a consequence of implementing IFRS 16 the Group has recognized right-of-use assets at a value equal to lease liabilities. The weighted-average discount rate adopted at the time of initial application of the standard was 3.1% for store facilities and means of transport and 4.8% for perpetual usufructs for land.

Impact exerted by IFRS 16 on the consolidated statement of financial position (increase / (decrease)) as at the date of initial application, i.e. 1 January 2019:

	*as at 31 December 2018**	*IFRS 16 adjustment*	*as at 1 January 2019*
ASSETS			
Property, plant and equipment	2,347,025	(169,570)	2,177,455
Right-of-use assets	-	233,896	233,896
Non-current assets	**2,458,378**	**64,326**	**2,522,704**
TOTAL ASSETS	**3,287,690**	**64,326**	**3,352,016**
EQUITY AND LIABILITIES			
Total equity	**1,211,873**	**-**	**1,211,873**
Interest-bearing loans and borrowings and finance lease liabilities	585,328	(67,088)	518,240
Lease liabilities	-	121,972	121,972
Total non-current liabilities	**693,176**	**54,884**	**748,060**
Current part of interest-bearing loans and borrowings and finance lease liabilities	148,676	(44,839)	103,837
Lease liabilities	-	54,281	54,281
Total current liabilities	**1,382,641**	**9,442**	**1,392,083**
Total liabilities	**2,075,817**	**64,326**	**2,140,143**
TOTAL EQUITY AND LIABILITIES	**3,287,690**	**64,326**	**3,352,016**

** according to the Group's approved consolidated financial statements for the year ended 31 December 2018.*

Moreover, as a result of applying IFRS 16, certain changes have been made to presentation in the consolidated financial statements that have exerted an impact on the comparative data. Some of the data in the consolidated statement of financial position as at 31 December 2018 have been reclassified to align them to their presentation as at 30 June 2019. Non-current and current lease liabilities have been separated from liabilities for loans and borrowings.

The Group's new accounting standards following the adoption of IFRS 16 have been presented below:

Right-of-use assets

The Group recognizes right-of-use assets on the date of commencing a lease (i.e. the day on which the underlying asset is available for use). Right-of-use assets are measured at cost minus the total depreciation charges and impairment losses adjusted for any revaluation of lease liabilities. The cost of right-of-use assets involves the amount of lease liabilities, the direct initial costs incurred and any and all lease payments paid on the date of commencement, or prior to that date, minus any and all lease incentives received. Insofar as the Group does not have sufficient certainty that it will obtain title of ownership to the leased object at the end of the lease term, the disclosed right-of-use assets are depreciated using the linear method for the shorter of two periods: the estimated period of use or the lease term. Right-of-use assets are subject to impairment.

In the event of perpetual usufruct of land the Group has determined the term of validity of the agreement to correspond to the period for which this right has been established. The cash flow by virtue of the fees for the use of land corresponding to annual fees has been determined for the specified term of validity of the agreement. The figure constituting the quantum of the asset and the liability has been calculated as being PLN 4,563 thousand by discounting the payments determined in this manner. This figure will be subject to depreciation over the term of validity of the perpetual use agreement.

Lease liabilities

On the date of commencement of a lease, the Group measures the lease liabilities as the present value of the lease payments remaining to be paid on that date. Lease payments include fixed payments (including in principle fixed lease payments) minus any and all lease incentives due, variable payments that are pegged to an index or rate and the amounts whose payment is expected under the guaranteed residual value. Lease payments also include the call option exercise price if one may with sufficient certainty posit that the Group will exercise it as well as the payments of cash penalties for the termination of a lease if the terms of the lease contemplate the Group's option to terminate the lease. Variable lease payments that are not pegged to an index or a rate are recognized as an expense in the period in which a payment-triggering event or condition transpires.

When computing the present value of lease payments, the Group applies the lessee's marginal interest rate on the date of commencing the lease if the lease's interest rate cannot be determined easily. After the date of commencement, the quantum of the lease liabilities is adjusted upward to reflect interest and downward to reflect the remitted lease payments. Moreover, the carrying amount of lease liabilities is subject to re-measurement if the term of the lease is changed, the fixed lease payments are fundamentally changed or the judgment concerning the purchase of the underlying assets is changed.

Short-term leases and low value asset leases

The Group applies an exemption from recognizing a short-term lease among its short-term lease agreements (i.e. agreements whose term of lease is 12 months or less from the date of commencement and do not contain a purchase option). The Group also applies an exemption from recognizing low value asset leases with respect to a lower value asset lease. Lease payments for short-term and low value asset leases are recognized as operating expenses using the straight line depreciation method during the term of lease.

Material judgments and estimates used to determine the term of validity of a lease in agreements with extension options

The Group sets the term of lease as the irrevocable term of lease, including the periods granting a lease extension option if one may posit with sufficient certainty that this option will be exercised, and including the periods granting a lease termination option, if one may posit with sufficient certainty that this option will not be exercised. The term of lease for an unspecified period has been determined as the average term of validity of agreements for a fixed period, i.e. 70 months from 1 January 2019.

The table below depicts the reconciliation of future lease payments presented in the financial statements for the financial year ended 31 December 2018 with the value of the lease liability carried as at 1 January 2019:

Future minimum lease payments under operating lease agreements as of 31 December 2018 (disclosure according to IAS 17)	**64,589**
Exemption for short-term leases and low value asset leases	(4,528)
Difference ensuing from the estimated terms of lease and rates according to IFRS 16	5,494
Classification of new lease agreements under IFRS 16	17,954
Future lease payments under operating lease agreements as at 1 January 2019	**83,509**
Discount	(19,183)
Additional lease liability recognized as at 1 January 2019	**64,326**
Financial lease liabilities under IAS 17 as at 31 December 2018	111,927
Lease liability as at 1 January 2019	**176,253**

4.2. Other

a) Interpretation of IFRIC 23 *Uncertainty over income tax treatments*

This interpretation clarifies the methods of disclosing and measuring income tax according to IAS 12 if there is uncertainty over its treatment. It does not pertain to taxes or fees that do not fall under the scope of IAS 12, nor

does it entail the requirements concerning interest and penalties related to the uncertain treatment of income tax. The interpretation pertains to the following in particular:

- the entity's separate incorporation of cases involving uncertain tax treatment;
- assumptions made by the entity concerning the control of tax treatment by the tax authorities;
- the method in which the entity determines taxable income (tax loss), the tax base, unsettled tax losses, unused tax relief and tax rates;
- the method in which the entity takes into account changes in facts and circumstances.

The entity must ascertain whether it examines each uncertain tax treatment separately, or jointly with one or more cases of uncertain tax treatment. The approach should be followed that better anticipates the dissipation of uncertainty.

The interpretation does not have a material impact on the Group's interim condensed consolidated financial statements.

b) Amendments to IFRS 9: *Prepayment features with negative compensation*

According to IFRS 9 a debt instrument may be measured using amortized cost or at fair value through other comprehensive income provided that the contractual cash flows are solely principal and interest on the principal amount outstanding (SPPI test), while the instrument is held under the appropriate business model for that classification. The amendments to IFRS 9 specify that a financial asset satisfies the SPPI test regardless of an event or circumstance that triggers early termination of an agreement and regardless of whether a party pays or receives reasonable compensation for early termination of an agreement.

The amendments do not have a material impact on the Group's interim condensed consolidated financial statements.

c) Amendments to IAS 19: *Plan Amendment, Curtailment or Settlement*

The amendments to IAS 19 specify that in the event of plan amendment, curtailment or settlement during an annual reporting period, the entity is obligated to determine the present cost of the service for the remaining part of the period following plan amendment, curtailment or settlement by applying the actuarial assumptions used for the re-measurement of the net liability (asset) for the defined benefits reflecting the benefits offered under the plan and the plan assets following this event. The entity is also obligated to determine the net interest for the remainder of the period following plan amendment, curtailment or settlement by using the net liability (asset) for the defined benefits reflecting the benefits offered under the plan and the plan assets following this event and the discount rate applied to the re-measurement of the net liability (asset) for the defined benefits.

The amendments do not have a material impact on the Group's interim condensed consolidated financial statements.

d) Amendments to IAS 28: *Long-term Interests in Associates and Joint Ventures*

The amendments specify that the entity applies IFRS 9 to long-term interests in an associate or joint venture to which the equity method is not applied, but which in principle constitute part of the entity's net investment in an associate or joint venture (long-term interests). This clarification is significant because it suggests that the expected credit loss model in IFRS 9 is applicable to such long-term interests.

The amendments also specify that in applying IFRS 9 an entity does not take into account the losses of an associate or joint venture, nor the expected losses from the net impairment of an investment in an associate or joint venture where these losses stem from the application of IAS 28 *Investments in Associates*.

The amendments do not have a material impact on the Group's interim condensed consolidated financial statements.

e) Changes ensuing from the IFRS 2015-2017 review

- IFRS 3 *Business combinations*

The amendments clarify that if an entity obtains control over an entity that is a joint activity, it applies the requirements pertaining to a business combination conducted in stages, including the re-measurement of

previously held interests in a joint activity at fair value. In this manner the acquirer re-measures all previously held interests in a joint activity.

The amendments do not have a material impact on the Group's interim condensed consolidated financial statements.

- IFRS 11 *Joint arrangements*

The amendments specify that a party that participates in a joint activity but does not exercise joint control may obtain joint control over a joint activity in which the business of the joint activity constitutes a venture according to the definition in IFRS 3. In these instances the previously held interests in a joint activity are not subject to re-measurement.

The amendments do not have a material impact on the Group's interim condensed consolidated financial statements.

- IAS 12 *Income tax*

The amendments specify that the tax consequences of dividend payments are more directly related to past transactions or events that led to obtaining profits subject to distribution than disbursements to owners. Accordingly, the entity recognizes the tax consequences of the payment of dividends in the financial result, other comprehensive income or equity depending on where the entity recognized those past transactions or events.

The amendments do not have a material impact on the Group's interim condensed consolidated financial statements.

- IAS 23 *Borrowing costs*

The amendments specify that the entity treats any and all loans originally taken out for the purpose of producing a qualifying asset as part of general purpose loans when in principle all the measures required to prepare that asset for the intended use or sale have been completed.

The amendments do not have a material impact on the Group's interim condensed consolidated financial statements.

The Group did not elect to apply any standard, interpretation or amendment earlier that has been published but has not yet taken force in light of the European Union regulations.

5. Change of estimates and corrections of errors

No change of estimates was made in the 6-month period ended 30 June 2019.

To ensure comparative data a correction of an error was made in respect of the recognition of revenue and costs related to transactions involving press and mobile telephone top-ups as discussed in the 2018 financial statements. Accordingly, revenue and cost of sales in H1 2018 were reduced by PLN 27,936 thousand.

Moreover, the Group has made a change to the method of presentation involving the recognition of receivables for payment cards in the line item Trade and other receivables instead of in the line item Cash and cash equivalents. Accordingly, the pertinent reclassification has been made totaling PLN 35,794 thousand in H1 2019, PLN 16,419 thousand in 2018 and PLN 18,431 thousand in H1 2018. This figure in the various quarters was as follows: PLN 20,218 thousand in Q1 2018, PLN 23,024 thousand in Q3 2018 and PLN 28,875 thousand in Q1 2019. Moreover, data have been restated in the interim consolidated cash flow statement.

6. Business seasonality

Sales revenues and financial results reported in individual quarters reflect the seasonality of sales. The Group posts increased sales revenues in the period close to holidays and in the summer. Moreover, Dino Group's revenues also depend on the number of store openings, which in the winder, especially in the first quarter of the year, is lower than in the remaining quarters of the year, in particular lower than in Q3 and Q4, because of the weather conditions hindering construction work.

7. Revenue from contracts with customers

The Group's main line of business entails the retail sales of goods in a diverse product range (mainly food, beverages and tobacco products) and products (meat products). Sales of goods in own and leased shops directly to individual (retail) customers represented approximately 98% of the Group's revenues. If a contract contains only one performance obligation - the sale of merchandise or a product manufactured in the Group, the revenue will be recognized at a specific point in time, that is when a customer takes control of the merchandise or product - at the moment of sale and payment in the store by a retail customer.

Consequently, the impact of adopting IFRS 15 exerted on the moment of recognizing revenue by virtue of such contracts is not material. For this reason, the presentation of data depicting revenue from clients split into categories that reflect the manner in which economic factors influence the nature, amount and term of payment and the uncertainty of revenue and cash flow has been abandoned.

8. Information concerning business segments

The Dino Polska S.A. Group runs its operations in one business sector and has one operating and reporting segment in the form of sales in a retail store network.

Its revenues may be broken down by type of product or merchandise or product group. However, the Management Board does not measure detailed operating results generated by any of such categories, which means that it would be problematic to ascertain the unambiguous impact of the allocation of resources on each category. As such, information on revenues generated in each category is of a limited decision-making value. Because the smallest area of business for which the Management Board reviews profitability ratios is the level of the Dino Polska S.A. Group as a whole, only one operating segment has been isolated.

	01.01.2019-30.06.2019	***01.01.2018-30.06.2018****
Revenue on sales of products and services	419,217	330,064
Revenue on sales of goods and materials	3,080,925	2,351,072
Total	**3,500,142**	**2,681,136**

**restated data*

Revenue on sales of meat products produced within the Group is presented as revenue on sales of products, while revenue on retail sales of goods purchased for further resale is presented as revenue on sales of goods. The Group does not have customers whose sales would amount to more than 10% of the total value of sales. The Group generated all sales revenues in Poland.

9. Dividends distributed and proposed for distribution

During the reporting period, the parent company and the subsidiaries did not pay out a dividend.

10. Revenue and expenses

10.1. Costs by nature:

	01.01.2019-30.06.2019	***01.01.2018-30.06.2018****
Depreciation and amortization	76,404	52,030
Consumption of materials and energy	310,295	231,437
External services	140,673	109,664
Taxes and fees	20,023	15,303
Employee benefits	402,450	300,133
Other costs by nature	13,950	7,875
Cost of goods and materials sold	2,301,732	1,792,153

Total costs by nature, including:	**3,265,527**	**2,508,595**
Items captured in cost of sales	2,649,240	2,050,360
Items captured in sales and marketing expenses	577,124	429,095
Items captured in general administration expenses	35,060	26,901
Movement in products	4,103	2,239

**restated data*

The payments under lease agreements in H1 2019 was PLN 3,896 thousand.

10.2. Other operating income

	01.01.2019-30.06.2019	*01.01.2018-30.06.2018*
Impairment losses for receivables	-	15
Grants	329	282
Damages	446	311
Income for making timely payments PIT-4	73	53
Revenue on the sales of PMEF certificates	-	684
Other (including i.a. debit / credit notes)	2,298	1,738
Total other operating income	**3,146**	**3,083**

10.3. Other operating expenses

	01.01.2019-30.06.2019	*01.01.2018-30.06.2018*
Impairment losses for receivables	111	20
Losses resulting from theft of merchandise	142	192
Loss on resale of property, plant and equipment	1,364	530
Donations	157	54
Other	3,247	110
Total other operating expenses	**5,021**	**906**

10.4. Financial income

	01.01.2019-30.06.2019	*01.01.2018-30.06.2018*
Interest income from banks	194	147
Interest income on receivables	18	-
Foreign exchange gains	43	-
Total financial income	**255**	**147**

10.5. Financial expenses

	01.01.2019-30.06.2019	*01.01.2018-30.06.2018*
Interest on bank loans	12,829	8,957
Interest on trade payables	10,156	7,888
Interest on other payables	19	14
Interest on bonds	1,554	1,498

Financial expenses of finance leases	2,912	2,042
Foreign exchange losses	-	47
Commissions	191	195
Other	-	4
Total financial expenses	**27,661**	**20,645**

11. Income tax

The reconciliation of income tax on profit (loss) before tax at the statutory tax rate with income tax calculated at the Group's effective tax rate is as follows:

	01.01.2019-30.06.2019	***01.01.2018-30.06.2018****
Profit before tax from continuing operations	209,437	156,459
Profit before tax	209,437	156,459
Tax at the statutory tax rate in Poland at 19% (comparative period: 19%)	(39,793)	(29,727)
Investment allowance for operating in a special economic zone	483	475
Income and expense items that are never taxable or deductible	2,330	(752)
Tax at the effective tax rate of 18% (comparative period: 19%)	(36,980)	(30,004)
Income tax (expense) recognized in consolidated profit or loss	(36,980)	(30,004)

Deferred tax is calculated on the basis of the following items:

	Consolidated statement of financial position		*Consolidated statement of profit or loss for the year ended*	
	30.06.2019	***31.12.2018***	***30.06.2019***	***30.06.2018***
Deferred tax liability				
Temporary difference in the value of fixed assets	23,705	19,644	4,061	7,947
Prepaid interest on loans received and interest accrued as at the balance sheet date	5,525	5,685	(160)	527
Provision for future income	11,762	7,510	4,252	4,668
Other	-	37	(37)	(22)
Presentation adjustment*	(30,379)	(26,953)	(3,426)	(8,459)
Deferred tax liability	**10,613**	**5,923**		
Deferred tax assets				
Difference in measurement of inventories	11,630	11,893	(263)	507
Provisions for retirement severance benefits	357	368	(11)	-
Provision for unused holiday leave	5,178	4,209	969	768
Provision for other liabilities (e.g. energy, bonuses, audit of financial statements)	6,187	2,107	4,080	672
Mandate contracts paid in the subsequent year	235	160	75	203
Social security contributions	4,200	3,737	463	391
Other (including foreign exchange losses, accrued interest)	3,073	3,952	(879)	561
Losses deductible from future taxable income	303	246	57	3,802
Temporary difference in the value of fixed assets	4,180	3,864	316	318
Allowance on the amount of eligible capital expenditures for business in a Special Economic Zone	12,724	12,724	-	-
Prepaid rents	-	-	-	(4,117)
Presentation adjustment*	(30,379)	(26,953)	(3,426)	(8,459)
Deferred tax assets	**17,688**	**16,307**		
Deferred tax expense			**(3,309)**	**(10,015)**

** The presentation adjustment associated with offsetting the deferred tax asset and liability at the level of distinct member companies of the group.*

The details of transactions and tax risks were presented in the 2018 consolidated financial statements.

12. Property, plant and equipment

Purchase and sale

In the 6-month period ended 30 June 2019 the Group purchased property, plant and equipment worth PLN 403,719 thousand (in the 6-month period ended 30 June 2018: PLN 285,600 thousand).

In the 6-month period ended 30 June 2019 the Group liquidated and sold property, plant and equipment whose total net value was PLN 1,929 thousand (in the 6-month period ended 30 June 2018: PLN 932 thousand).

13. Intangible assets

Purchase and sale

In the 6-month period ended 30 June 2019 the Group purchased intangible assets (licenses and software) worth PLN 5,338 thousand (in 2018: PLN 1,936 thousand).

14. Goodwill

There were no changes to goodwill in the period ended 30 June 2019 and 31 December 2018. As at 30 June 2019 goodwill was equal to PLN 64,989 thousand (PLN 64,989 thousand in 2018). The Group conducted an impairment value test as at 31 December 2018. The test demonstrated that there was no impairment in respect of goodwill or the trademarks.

15. Provisions

	Retirement and disability benefits	*Deferred tax liability*	*Total*
Opening balance as at 1 January 2019	**2,091**	**5,923**	**8,014**
Increases	-	4,690	4,690
Utilization	-	-	-
Closing balance as at 30 June 2019	**2,091**	**10,613**	**12,704**
Short-term provisions	541	-	541
Long-term provisions	1,550	10,613	12,163

	Retirement and disability benefits	*Deferred tax liability*	*Total*
Opening balance as at 1 January 2018	**1,581**	**3,495**	**5,076**
Increases	510	2,428	2,938
Utilization	-	-	-
Closing balance as at 31 December 2018	**2,091**	**5,923**	**8,014**
Short-term provisions	541	-	541
Long-term provisions	1,550	5,923	7,473

16. Interest-bearing bank loans and borrowings, debt securities and lease liabilities

		30.06.2019	*31.12.2018*
Current			
Finance lease liabilities		62,251	44,839
Investment loans		112,370	93,952
Loans to finance current activity		15,705	9,455
Borrowing		448	430
Issue of debt securities	17.2	702	654
		191,476	**149,330**
Non-current			
Finance lease liabilities		115,819	67,088
Investment loans		577,008	495,050
Loans to finance current activity		52,409	22,569
Borrowing		386	621
Issue of debt securities	17.2	269,463	99,829
		1,015,085	**685,157**

Type of liability	Date agreement signed	Outstanding liability as at 30 June 2019 (thousands of PLN)*	Interest rate	Date of repayment	Collateral type
1. Credit facility with mBank	2013-11-22	1,587	WIBOR + margin	2023-10-31	joint contractual mortgage, assignment of rights to an insurance policy
2. Credit facility with mBank	2012-03-08	3,782	WIBOR + margin	2021-12-31	joint contractual mortgage, assignment of rights to an insurance policy
3. Credit facility with PKO BP	2012-01-26	-	WIBOR + margin	2019-10-28	joint contractual mortgage, assignment of rights to an insurance policy
4. Credit facility with PKO BP	2011-04-13	2,114	WIBOR + margin	2021-04-12	joint contractual mortgage, assignment of rights to an insurance policy
5. Credit facility with PKO BP	2013-05-23	27,986	WIBOR + margin	2021-12-31	joint contractual mortgage, assignment of rights to an insurance policy
6. Credit facility with PKO BP	2016-10-25	43,824	WIBOR + margin	2024-10-24	joint contractual mortgage, assignment of rights to an insurance policy
8. Credit facility with mBank	2014-01-09	13,734	WIBOR + margin	2023-11-30	joint contractual mortgage, assignment of rights to an insurance policy
9. Credit facility with ING	2014-04-15	25,004	WIBOR + margin	2022-04-14	joint contractual mortgage, assignment of rights to an insurance policy
10. Credit facility with Bank Millennium	2014-12-18	5,980	WIBOR + margin	2020-06-17	joint contractual mortgage, assignment of rights to an insurance policy
11. Credit facility with mBank	2015-04-17	14,743	WIBOR + margin	2025-03-31	joint contractual mortgage, assignment of rights to an insurance policy
12. Credit facility with ING	2014-04-15	-	WIBOR + margin	2020-04-14	joint contractual mortgage, assignment of rights to an insurance policy
13. Credit facility with mBank	2016-08-16	3,495	WIBOR + margin	2021-07-30	joint contractual mortgage, assignment of rights to an insurance policy
14. Credit facility with mBank	2016-04-11	-	WIBOR + margin	2019-10-08	joint contractual mortgage, assignment of rights to an insurance policy
15. Credit facility with Millennium	2016-05-12	22,104	WIBOR + margin	2021-05-11	joint contractual mortgage, assignment of rights to an insurance policy
16. Borrowing from Siemens	2016-02-24	833	WIBOR + margin	2021-02-28	bill of exchange
17. Credit facility with PKO BP	2016-10-25	125,294	WIBOR + margin	2025-04-24	joint contractual mortgage, assignment of rights to an insurance policy
18. Credit facility with ING	2016-04-15	15,624	WIBOR + margin	2024-04-14	joint contractual mortgage, assignment of rights to an insurance policy
19. Credit facility with BGŻ BNP Paribas	2017-03-20	-	WIBOR + margin	2021-03-31	joint contractual mortgage, assignment of rights to an insurance policy
20. Credit facility with BGŻ BNP Paribas	2017-03-20	75,238	WIBOR + margin	2027-03-19	joint contractual mortgage, assignment of rights to an insurance policy
21. Credit facility with PKO BP	2016-10-25	12,887	WIBOR + margin	2024-10-24	joint contractual mortgage, assignment of rights to an insurance policy
22. Credit facility with mBank	2011-12-14	2,426	WIBOR + margin	2021-08-31	joint contractual mortgage, assignment of rights to an insurance policy
24. Credit facility with BZ WBK	2016-05-24	23,939	WIBOR + margin	2021-04-30	joint contractual mortgage, assignment of rights to an insurance policy
25. Credit facility with mBank	2016-08-16	21,170	WIBOR + margin	2021-07-30	joint contractual mortgage, assignment of rights to an insurance policy
26. Credit facility with ING	2016-04-15	22,300	WIBOR + margin	2024-04-14	joint contractual mortgage, assignment of rights to an insurance policy
27. Credit facility with BZ WBK	2018-02-19	63,182	WIBOR + margin	2023-02-18	joint contractual mortgage, assignment of rights to an insurance policy
28. Credit facility with Bank Handlowy	2018-10-03	-	WIBOR + margin	2021-10-01	joint contractual mortgage, assignment of rights to an insurance policy
29. Credit facility with PKO BP	2019-02-11	80,000	WIBOR + margin	2026-08-11	joint contractual mortgage, assignment of rights to an insurance policy
30. Credit facility with ING	2018-07-03	50,000	WIBOR + margin	2026-07-02	joint contractual mortgage, assignment of rights to an insurance policy
31. Credit facility with Millennium	2018-08-09	30	WIBOR + margin	2021-08-08	joint contractual mortgage, assignment of rights to an insurance policy
32. Credit facility with Millennium	2018-08-09	40,000	WIBOR + margin	2023-08-08	joint contractual mortgage, assignment of rights to an insurance policy
33. Credit facility with BGŻ BNP Paribas	2018-11-13	-	WIBOR + margin	2020-11-13	joint contractual mortgage, assignment of rights to an insurance policy
34. Credit facility with PKO BP	2019-02-11	62,000	WIBOR + margin	2026-08-11	joint contractual mortgage, assignment of rights to an insurance policy
TOTAL		**759,276**			

* Balance of liabilities net of commissions.

In addition, the liabilities for loans and lease agreements also have security interests in the form of blank bills of exchange.

Type of liability	***Date agreement signed***	***Balance of liability as at 31 December 2018**** **(thousands of PLN)**	***Interest rate***	***Date of repayment***	***Collateral type***
1. Credit facility with mBank	2013-11-22	1,770	WIBOR + margin	2023-10-31	joint contractual mortgage, assignment of rights to an insurance policy
2. Credit facility with mBank	2012-03-08	4,539	WIBOR + margin	2021-12-31	joint contractual mortgage, assignment of rights to an insurance policy
3. Credit facility with PKO BP	2012-01-26	-	WIBOR + margin	2019-10-28	joint contractual mortgage, assignment of rights to an insurance policy
4. Credit facility with PKO BP	2011-04-13	2,579	WIBOR + margin	2021-04-12	joint contractual mortgage, assignment of rights to an insurance policy
5. Credit facility with PKO BP	2013-05-23	32,500	WIBOR + margin	2021-12-31	joint contractual mortgage, assignment of rights to an insurance policy
6. Credit facility with PKO BP	2016-10-25	47,248	WIBOR + margin	2024-10-24	joint contractual mortgage, assignment of rights to an insurance policy
7. Credit facility with BZ WBK	2018-02-19	66,310	WIBOR + margin	2023-02-18	joint contractual mortgage, assignment of rights to an insurance policy
8. Credit facility with mBank	2014-01-09	15,327	WIBOR + margin	2023-11-30	joint contractual mortgage, assignment of rights to an insurance policy
9. Credit facility with ING	2014-04-15	29,170	WIBOR + margin	2022-04-14	joint contractual mortgage, assignment of rights to an insurance policy
10. Credit facility with Bank Millennium	2014-12-18	7,167	WIBOR + margin	2020-06-17	joint contractual mortgage, assignment of rights to an insurance policy
11. Credit facility with mBank	2015-04-17	16,025	WIBOR + margin	2025-03-31	joint contractual mortgage, assignment of rights to an insurance policy
12. Credit facility with ING	2014-04-15	-	WIBOR + margin	2020-04-14	joint contractual mortgage, assignment of rights to an insurance policy
13. Credit facility with Millennium	2018-08-09	28	WIBOR + margin	2021-08-08	joint contractual mortgage, assignment of rights to an insurance policy
14. Credit facility with mBank	2016-08-16	3,753	WIBOR + margin	2021-07-30	joint contractual mortgage, assignment of rights to an insurance policy
15. Credit facility with mBank	2016-04-11	-	WIBOR + margin	2019-10-08	joint contractual mortgage, assignment of rights to an insurance policy
16. Credit facility with Millennium	2016-05-12	24,858	WIBOR + margin	2021-05-11	joint contractual mortgage, assignment of rights to an insurance policy
17. Borrowing from Siemens	2016-02-24	1,051	WIBOR + margin	2021-02-28	bill of exchange
18. Credit facility with PKO BP	2016-10-25	134,118	WIBOR + margin	2025-04-24	joint contractual mortgage, assignment of rights to an insurance policy
19. Credit facility with ING	2016-04-15	17,186	WIBOR + margin	2024-04-14	joint contractual mortgage, assignment of rights to an insurance policy
20. Credit facility with BGŻ BNP Paribas	2017-03-20	-	WIBOR + margin	2019-03-19	joint contractual mortgage, assignment of rights to an insurance policy
21. Credit facility with BGŻ BNP Paribas	2017-03-20	80,000	WIBOR + margin	2025-12-31	joint contractual mortgage, assignment of rights to an insurance policy
22. Credit facility with BGŻ BNP Paribas	2018-11-13	-	WIBOR + margin	2020-11-13	statement of submitting to enforcement under art. 777
23. Credit facility with PKO BP	2018-01-15	13,883	WIBOR + margin	2024-10-24	joint contractual mortgage, assignment of rights to an insurance policy
24. Credit facility with mBank	2011-12-14	2,986	WIBOR + margin	2021-08-31	joint contractual mortgage, assignment of rights to an insurance policy
25. Credit facility with BZ WBK	2016-05-24	25,104	WIBOR + margin	2021-04-30	joint contractual mortgage, assignment of rights to an insurance policy
26. Credit facility with mBank	2016-08-16	22,970	WIBOR + margin	2021-07-30	joint contractual mortgage, assignment of rights to an insurance policy
27. Credit facility with ING	2016-04-15	24,527	WIBOR + margin	2024-04-14	joint contractual mortgage, assignment of rights to an insurance policy
28. Credit facility with ING	2018-07-03	50,000	WIBOR + margin	2026-07-02	joint contractual mortgage, assignment of rights to an insurance policy
29. Credit facility with Bank Handlowy CITI	2018-10-03	-	WIBOR + margin	2021-10-01	joint contractual mortgage, assignment of rights to an insurance policy
TOTAL		**623,099**			

* Balance of liabilities net of commissions.

In addition, the liabilities for loans and lease agreements also have security interests in the form of blank bills of exchange.

17. Other significant changes

17.1. Non-recurring amounts and events

No atypical events transpired in the Dino Group's business in the current or previous reporting period.

17.2. Investment securities

On 26 June 2019 Dino Polska issued 1,700 bonds with a nominal value of PLN 100,000 each and a total value of PLN 170,000,000.00. The bonds bear interest at a floating interest rate of WIBOR 3M plus a fixed margin of 1.30 percentage points per annum. The maturity date was set for 26 June 2022. The bonds are secured under a surety provided by selected Dino Polska S.A. Group companies.

The Group did not issue, redeem or pay down any non-equity or investment securities in the period from 1 January 2018 to 30 June 2018.

17.3. Litigation

No material litigation was launched in the period from 1 January 2019 to 30 June 2019 or from 1 January 2018 to 30 June 2018.

17.4. Contingent liabilities and contingent assets

As at 30 June 2019 the Group had contingent liabilities arising from concluded preliminary agreements in the amount of PLN 401,906 thousand.

As at 30 June 2018 the Group had contingent liabilities arising from concluded preliminary agreements in the amount of PLN 246,070 thousand.

As at the date of preparing the interim condensed consolidated financial statements the Group did not have any contingent liabilities other than the ones enumerated above and in note 16.

17.5. Obligations to incur capital expenditures

As at the date of preparing the interim condensed consolidated financial statements, the liabilities for property, plant and equipment purchases were related mainly to the purchase of services related to the ongoing rollout of the Dino Polska Group's store network. They totaled PLN 119,604 thousand (PLN 181,569 thousand as at 31 December 2018).

17.6. Cash and cash equivalents

For the purposes of the interim condensed statement of cash flows, cash and cash equivalents consist of the following line items:

	30.06.2019	***30.06.2018***
Cash at bank and in hand	88,235	89,670
Short-term deposits	259,890	81,968
Other cash	52	18
Total	**348,177**	**171,656**

The following tables depict the reasons for the differences between the balance sheet movements in the interim condensed consolidated statement of financial position and the movements following from the interim condensed consolidated statement of cash flows:

	01.01.2019-30.06.2019	***01.01.2018-30.06.2018***
Movement in receivables resulting from the consolidated statement of financial position	(19,290)	25,298
Movement in receivables on the sale of fixed assets	704	(434)
Movement in state budget receivables	47,940	(2,778)
Movement in receivables in the consolidated statement of cash flows	**29,354**	**22,086**

	01.01.2019-30.06.2019	***01.01.2018-30.06.2018***
Movement in liabilities resulting from the consolidated statement of financial position	319,527	78,792
Movement in loans	(136,249)	(104,325)
Movement in finance lease liabilities	(66,143)	19,811
Movement in investment settlements	49,636	(5,752)
Movement in settlements regarding issue of debt securities	(170,000)	-
Movement in income tax liabilities	35,124	(793)
Movement in liabilities in the consolidated statement of cash flows	**31,895**	**(12,267)**

17.7. Other selected disclosures

On 12 April 2019 the Company's Supervisory Board adopted a resolution appointing Mr. Jakub Macuga to be a Management Board member of Dino Polska S.A.

In June 2019 the Company's Management Board made the decision to commence the construction of a new distribution center in the town of Łobez in the Western Pomeranian Region. For this purpose the Company will enter into a number of contracts with entities unrelated to the Company that specialize in the execution of such investments, including the entity that will play the role of general contractor. This investment will involve the comprehensive construction and fit-out of the freezer, refrigerated storage area, controlled-temperature warehouses, dry goods warehouse and social and office space with the accompanying technical infrastructure, internal roads and parking spots. The total planned warehouse space will be 43.5 thousand square meters. The total (net) estimated cost of the investment will be approximately PLN 80 million and it will be financed using the Company's own funds and bank loans. The purpose of the new distribution center is to handle the deliveries of goods to the growing number of Dino stores and support the network's ongoing geographic expansion. The Company anticipates that the investment will be completed in the second quarter of 2020.

18. Business combinations and purchases of non-controlling interests

No business combination took place in the period for which the interim condensed consolidated financial statements have been prepared, nor were any interests purchased or sold.

19. Objectives and principles of managing financial risk

The main financial instruments used by the Group include bank loans, loans, bonds, finance lease and hire-purchase agreements, cash and short-term deposits. The main objective of these instruments is to raise funding for Group's activities. The Group also holds various other financial instruments, such as trade receivables and

payables, which arise directly from its activities. The rule followed by the Group currently and throughout the whole period covered by the consolidated financial statements is to refrain from dealing in financial instruments.

The main types of risk arising from the Group's financial instruments include interest rate risk, liquidity risk, FX risk and credit risk. The parent company's Management Board verifies and agrees the principles of managing each one of these types of risk.

No material changes were made to the rules of financial risk management in the 6-month period ended 30 June 2019 compared to the 2018 consolidated financial statements.

The parent company's Management Board incorporates the Group's positive results (including EBITDA) in its analysis of the risks ensuing from financial instruments. The Dino Group's EBITDA was PLN 313,247 thousand in H1 2019, PLN 228,987 thousand in H1 2018 and PLN 541,060 thousand in the period from 1 January 2018 to 31 December 2018. During the last 12 months, i.e. from 1 July 2018 to 30 June 2019 the Dino Group generated EBITDA of PLN 625,320 thousand. The Dino Group defines EBITDA as earnings before interest, taxes, depreciation and amortization. This ratio is not a measure governed by IFRS.

20. Financial instruments

In the Group's opinion, the fair value of cash, short-term deposits, trade receivables, trade payables, bank loans, other loans, outstanding bonds and finance lease liabilities does not materially deviate from their carrying amounts. In the 6-month period ended 30 June 2019, no changes were made to the fair value measurement methodology pertaining to financial instruments and no changes were made to the classification of financial assets resulting from a change of purpose or use of such assets.

Carrying amounts of individual classes of financial instruments

	Carrying amount	
	30.06.2019	***31.12.2018***
Financial assets – carried at amortized cost		
Trade and other receivables	57,820	38,530
Total	**57,820**	**38,530**

	Carrying amount	
	30.06.2019	***31.12.2018***
Non-current financial liabilities – carried at amortized cost		
Interest-bearing loans and borrowings	629,803	518,240
Issue of debt securities	269,463	99,829
Liabilities under financial lease agreements and hire-purchase agreements	115,819	67,088
Total	**1,015,085**	**685,157**
Current financial liabilities – carried at amortized cost		
Interest-bearing loans and borrowings	128,523	103,837
Issue of debt securities	702	654
Liabilities under financial lease agreements and hire-purchase agreements	62,251	44,839
Trade payables	747,310	690,699
Trade payables in factoring, including programs to finance suppliers	144,120	176,643
Total	**1,082,906**	**1,016,672**

21. Discontinued activity

In the period covered by these interim condensed consolidated financial statements the Group has not discontinued any operations and it does not plan any discontinuation in the future.

22. Related party transactions

The table below presents the total amounts of the transactions executed with related parties during the six-month period ended 30 June 2019 and 2018 (for sales and purchases) and as at 30 June 2019 and 31 December 2018 (for receivables and liabilities):

Related party		*Sale to related parties*	*Purchases from related parties*	*Receivables from related parties*	*Liabilities to related parties*
Key managers (Management Board members) of the Group					
	2019	-	-	-	-
	2018	-	-	-	-
Supervisory Board					
	2019	-	-	-	-
	2018	-	-	-	-

		Sale to related parties	*Purchases from related parties*	*Receivables from related parties*	*Liabilities to related parties*	*Bonds*
Parties related through the majority owner						
Zakłady Mięsne "Biernacki" Tomasz Biernacki						
	2019	3	217	-	70	-
	2018	-	261	5	97	-
BT Development BT Kapitał sp. z o.o. sp.k.						
	2019	7	2,069	-	474	-
	2018	8	1,986	5	486	-
BT Nieruchomości sp. z o.o.						
	2019	-	214	-	39	-
	2018	-	185	1	57	-
BT Kapitał sp. z o.o.						
	2019	62	-	15	-	2,002
	2018	-	-	-	-	2,010
Krot Invest KR Inżynieria sp. z o.o. SKA						
	2019	334	161,260	144	71,628	-
	2018	450	115,048	201	89,836	-
Krot Invest 2 KR Inżynieria sp. z o.o. sp.k.						
	2019	1	9,228	1	3,316	-
	2018	-	7,784	6	3,733	-
Zielony Rynek 1 BT Kapitał sp. z o.o. sp.k.						
	2019	3	346	1	70	-
	2018	1	485	12	64	-
Zielony Rynek 2 BT Kapitał sp. z o.o. sp.k.						
	2019	8	557	3	131	-
	2018	5	221	4	124	-
Zielony Rynek 3 BT Kapitał sp. z o.o. sp.k.						
	2019	2	874	-	241	-

2018	2	755	1	178	-
Zielony Rynek 4 BT Kapitał sp. z o.o. sp.k.					
2019	3	732	3	187	-
2018	19	680	2	214	-
Zielony Rynek 6 BT Kapitał sp. z o.o. sp.k.					
2019	-	200	-	46	-
2018	1	341	33	988	-
Parties related through key personnel					
Agrofirma Spółdzielcza					
2019	14	92	1	-	-
2018	4	92	-	4	-
TBE sp. z o.o.					
2019	2	476	1	43	-
2018	-	431	1	66	-

Related party transactions were routine in nature and concluded on the arm's length basis, at prices no different from the prices used in transactions between unrelated parties.

23. Events after the reporting period

No material events transpired up to the date of preparation of these interim condensed consolidated financial statements that would require recognition or description hereunder.

DINO POLSKA S.A.

INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE 6-MONTH PERIOD ENDED 30 JUNE 2019
WITH THE INDEPENDENT AUDITOR'S REPORT ON ITS REVIEW

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FINANCIAL HIGHLIGHTS

	PLN 000s		***EUR 000s****	
	from 1 January 2019 to 30 June 2019	***from 1 January 2018 to 30 June 2018***	***from 1 January 2019 to 30 June 2019***	***from 1 January 2018 to 30 June 2018***
Sales revenues	3,491,851	2,674,331	814,331	630,813
Operating profit	188,632	89,303	43,991	21,065
Profit before tax	164,048	69,001	38,257	16,276
Net profit	133,434	54,831	31,118	12,933
Number of shares	98,040,000	98,040,000	98,040,000	98,040,000
Basic / diluted earnings per share in PLN, EUR	1.36	0.56	0.32	0.13
Cash flow from operating activities	207,275	198,623	48,338	46,851
Cash flow from investing activities	(346,099)	(248,652)	(80,713)	(58,651)
Cash flow from financing activities	205,333	50,042	47,885	11,804
Net change in cash and cash equivalents	66,509	13	15,510	3

* In the case of data in EUR, the average EUR/PLN exchange rate in the period was used, as published by the National Bank of Poland:

- NBP's average exchange rate for H1 2019: PLN 4.2880/EUR;
- NBP's average exchange rate for H1 2018: PLN 4.2395/EUR.

	PLN 000s		***EUR 000s****	
	as at 30 June 2019	***as at 31 December 2018***	***as at 30 June 2019***	***as at 31 December 2018***
Total assets	3,376,085	2,979,895	793,999	692,999
Total non-current assets	2,337,571	2,031,010	549,758	472,328
Total current assets	1,038,514	948,885	244,241	220,671
Equity	1,063,404	929,970	250,095	216,272
Share capital	9,804	9,804	2,306	2,280
Non-current liabilities	835,303	600,881	196,449	139,740
Current liabilities	1,414,181	1,397,539	332,592	325,009

* In the case of data in EUR, the average EUR/PLN exchange rates in the period were used, as published by the National Bank of Poland:

- NBP's average exchange rate as at 30 June 2019: 4.2520 PLN/EUR;
- NBP's average exchange rate as at 31 December 2018: 4.3000 PLN/EUR.

INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS

for the 6-month period ended 30 June 2019

(in thousands of PLN)	*Note*	***01.01.2019-30.06.2019***	***01.01.2018-30.06.2018***
		(unaudited)	*(unaudited)*
A. Net revenues on sales and equivalents		**3,491,851**	**2,674,331**
- from related entities		*2,906*	*1,792*
I. Net revenue on sales of products		7,002	5,001
IV. Net revenue on sales of goods and materials		3,484,849	2,669,330
B. Operating expenses		**3,301,126**	**2,586,809**
I. Depreciation and amortization		53,260	39,310
II. Consumption of materials and energy		51,025	35,355
III. External services		189,954	173,738
IV. Taxes and fees		15,093	10,728
V. Employee benefits		299,603	224,669
VI. Social security and other benefits, of which:		64,419	48,508
- pension		*28,751*	*21,339*
VII. Other costs by nature		13,584	10,645
VIII. Cost of goods and materials sold		2,614,188	2,043,856
C. Sales profit (loss) (A – B)		**190,725**	**87,522**
D. Other operating income	**7.1**	**2,760**	**2,700**
I. Profit on disposal of non-financial non-current assets		-	-
II. Grants		101	101
III. Revaluation of non-financial assets		-	-
IV. Other operating income		2,659	2,599
E. Other operating expenses	**7.2**	**4,853**	**919**
I. Loss on disposal of non-financial non-current assets		1,308	559
II. Revaluation of non-financial assets		-	-
III. Other operating expenses		3,545	360
F. Operating profit (loss) (C+D-E)		**188,632**	**89,303**
G. Financial income	**7.3**	**3,713**	**1,925**
I. Dividends i profit sharing		-	-
II. Interest, including:		3,661	1,925
- from related entities		3,584	1,830
III. Profit on disposal of financial assets		-	-
IV. Revaluation of financial assets		-	-
V. Other		52	-
H. Financial expenses	**7.4**	**28,297**	**22,227**
I. Interest, including:		25,184	19,305
- to related entities		67	64
II. Loss on disposal of financial assets		-	-
III. Revaluation of financial assets		-	-
IV. Other		3,113	2,922
I. Profit / (loss) before tax (F + G - H)		**164,048**	**69,001**
J. Income tax	**8**	**30,614**	**14,170**
K. Other mandatory decreases of profit (increases of loss)		**-**	**-**
L. Net profit (loss) (I – J – K)		**133,434**	**54,831**

**restated data according to the description in note 4*

INTERIM CONDENSED BALANCE SHEET

as at 30 June 2019

(in thousands of PLN)	*Note*	*30.06.2019*	*31.12.2018*
		(unaudited)	
Assets			
A. Non-current assets		**2,337,571**	**2,031,010**
I. Intangible assets	**10**	**25,945**	**22,868**
1. Costs of completed development work		-	-
2. Goodwill		-	-
3. Other intangible assets		25,945	22,868
II. Property, plant and equipment	**9**	**1,529,653**	**1,256,963**
1. Fixed assets		1,379,014	1,184,076
a) land (including the right of usufruct to land)		263,851	215,673
b) buildings, premises, rights to premises and civil and marine engineering facilities		728,766	608,108
c) technical equipment and machinery		218,147	204,103
d) means of transport		50,743	39,731
e) other fixed assets		117,507	116,461
2. Fixed assets under construction		150,639	72,887
III. Non-current receivables		**-**	**-**
IV. Non-current investments		**755,836**	**727,435**
1. Real estate		-	-
2. Intangible assets		-	-
3. Long-term financial assets	11	755,836	727,435
a) in related entities		755,836	727,435
- ownership interests or shares		755,836	727,435
V. Non-current deferred revenue		**26,137**	**23,744**
1. Deferred tax assets	8	26,137	23,744
B. Current assets		**1,038,514**	**948,885**
I. Inventories	**12**	**461,746**	**428,621**
1. Materials		-	-
2. Semi-finished goods and work in progress		-	-
3. Finished products		-	-
4. Merchandise		461,746	428,621
II. Current receivables		**74,144**	**96,181**
1. Receivables from related entities	21	401	10,825
a) for goods and services with a term of payment:		368	8,620
- up to 12 months		368	8,620
b) other		33	2,205
2. Receivables from other entities to which the company has equity exposure		-	-
3. Receivables from other entities		73,743	85,356
a) for goods and services with a term of payment:	13	14,831	13,101
- up to 12 months		14,831	13,101
b) on taxes, grants, customs duties, social security and health insurance and other public dues		19,373	51,470
c) other		39,539	20,785
III. Current investments		**492,466**	**421,667**
1. Current financial assets		492,466	421,667
a) in related entities	21	166,551	162,261
- other securities	11	-	27,570
- loans granted		166,551	134,691
b) in other entities		-	-
c) cash and other cash assets	17.6	325,915	259,406
- cash on hand and on accounts		77,689	79,726
- other cash		248,226	179,680
IV. Current deferred revenue		**10,158**	**2,416**
C. Contributions due to share capital		**-**	**-**
D. Treasury stock		**-**	**-**
Total assets		**3,376,085**	**2,979,895**

(in thousands of PLN)	***Note***	***30.06.2019***	***31.12.2018****
		(unaudited)	
Equity and liabilities			
A. Equity		**1,063,404**	**929,970**
I. Share capital	**14**	**9,804**	**9,804**
II. Supplementary capital		**889,818**	**681,260**
III. Revaluation reserve (fund)		**-**	**-**
IV. Other reserve capital (fund)		**-**	**-**
V. Profit (loss) brought forward		**-**	**-**
VI. Net profit (loss)		**133,434**	**208,558**
VII. Other items of equity		**30,348**	**31,783**
VIII. Charges to net profit during the financial year (negative figure)		**-**	**(1,435)**
B. Liabilities and provisions for liabilities		**2,312,681**	**2,049,925**
I. Provisions for liabilities	**15**	**36,544**	**29,670**
1. Provision for deferred tax liability	8	34,667	27,793
2. Provision for pension and similar benefits	15	1,877	1,877
- non-current		1,362	1,362
- current		515	515
II. Non-current liabilities		**835,303**	**600,881**
1. To related entities		-	-
2. To other entities in which the company has equity exposure		-	-
3. To other entities		835,303	600,881
a) bank loans and borrowings	16	507,464	443,130
b) for issue of debt securities	16	269,463	99,829
c) other financial liabilities	16	58,376	57,922
d) liabilities for bills of exchange		-	-
e) other		-	-
III. Current liabilities		**1,414,181**	**1,397,539**
1. Liabilities to related entities	21	310,619	308,314
a) for goods and services with a term of being due and payable:		213,080	170,087
- up to 12 months		213,080	170,087
- above 12 months		-	-
b) other		97,539	138,227
2. Liabilities to other entities in which the company has equity exposure		-	-
3. Liabilities to other entities		1,103,562	1,089,225
a) bank loans and borrowings	16	106,127	89,476
b) for issue of debt securities	16	702	654
c) other financial liabilities	16	48,826	40,321
d) for goods and services with a term of being due and payable:		797,937	799,742
- up to 12 months		797,937	799,742
- above 12 months		-	-
e) advances received for supplies and services		-	-
f) liabilities for bills of exchange		-	-
g) on taxes, customs duties, social security and health insurance or other public dues		77,806	91,940
h) payroll		46,199	40,394
i) other		25,965	26,698
4. Special-purpose funds		-	-
IV. Deferred revenue		**26,653**	**21,835**
1. Negative goodwill		-	-
2. Other deferred revenue		26,653	21,835
- non-current		135	236
- current		26,518	21,599
Total liabilities and equity		**3,376,085**	**2,979,895**

**restated data according to the description in note 4*

INTERIM CONDENSED STATEMENT OF CASH FLOWS

for the 6-month period ended 30 June 2019

(in thousands of PLN)	*Note*	***01.01.2019-30.06.2019***	***01.01.2018-30.06.2018****
		(unaudited)	*(unaudited)*
A. Cash flow from operating activities			
I. Net profit (loss)		**133,434**	**54,831**
II. Total adjustments		**73,841**	**143,792**
1. Depreciation and amortization		53,260	39,310
2. Gains (losses) arising from changes in foreign currency exchange rates		-	-
3. Interest and profit sharing (dividends)	17.6	21,645	18,414
4. Profit (loss) on investing activity		1,308	559
5. Movement in provisions		6,874	7,372
6. Movement in inventories		(33,125)	(5,291)
7. Movement in receivables	17.6	20,608	32,547
8. Movement in current liabilities, except for loans and borrowings	17.6	8,588	37,876
9. Movement in prepayments, accruals and deferred revenue		(5,317)	13,005
10. Other adjustments		-	-
III. Net cash flow from operating activities (I±II)		**207,275**	**198,623**
B. Cash flow from investing activities			
I. Inflows		**83,185**	**3,042**
1. Sale of intangible assets and property, plant and equipment		1,911	1,029
2. Sale of investments in real property and intangible assets		-	-
3. From financial assets, of which:		81,274	2,013
a) in related entities		81,197	1,918
b) in other entities		77	95
- interest		77	95
II. Outflows		**(429,284)**	**(251,694)**
1. Purchase of intangible assets and property, plant and equipment		(321,679)	(227,169)
2. Investments in real property and intangible assets		-	-
3. Towards financial assets, of which:		(107,605)	(24,525)
a) in related entities		(107,605)	(24,525)
III. Net cash flow from investing activities (I-II)		**(346,099)**	**(248,652)**
C. Cash flow from financing activities			
I. Inflows		**408,706**	**197,204**
1. Net inflows on the delivery of shares (share issue) and other equity instruments and capital contributions		-	-
2. Loans and borrowings		238,706	197,204
3. Issue of debt securities	17.2	170,000	-
II. Outflows		**(203,373)**	**(147,162)**
1. Purchase of treasury shares		-	-
2. Dividends and other distributions to owners		-	-
3. Profit-sharing expenditures other than distributions to owners		-	-
4. Repayment of loans and borrowings		(152,652)	(104,409)
5. Redemption of debt securities		-	-
6. On account of other financial liabilities		-	-
7. Payment of finance lease liabilities		(20,429)	(20,570)
8. Interest		(27,356)	(19,437)
9. Other financial expenditures		(2,936)	(2,746)
III. Net cash from financing activities (I-II)		**205,333**	**50,042**
D. Total net cash flow (A.III±B.III±C.III)		**66,509**	**13**
E. Balance sheet movement in cash, including		**66,509**	**13**
- movement in cash arising from changes in foreign currency exchange rates		-	-
F. Cash at the beginning of the period		**259,406**	**160,695**
G. Cash at the end of the period (F±D), including	**17.6**	**325,915**	**160,708**
- restricted cash		35	-

**restated data according to the description in note 4*

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY

for the 6-month period ended 30 June 2019

(in thousands of PLN)	***01.01.2019-30.06.2019***	***01.01.2018-31.12.2018***	***01.01.2018-30.06.2018***
	(unaudited)		*(unaudited)*
I. Equity at the beginning of the period (OB)	**929,970**	**658,158**	**658,158**
- effect of the merger with a subsidiary	-	100,466	100,466
I.a. Equity at the beginning of the period (OB), adjusted	**929,970**	**758,624**	**758,624**
1. Share capital at the beginning of the period	9,804	9,804	9,804
1.1. Movement in share capital	-	-	-
1.2. Share capital at the end of the period	**9,804**	**9,804**	**9,804**
2. Supplementary capital at the beginning of the period	681,260	621,345	621,345
2.1. Changes to supplementary capital	208,558	59,915	120,704
(i) increase	208,558	120,704	120,704
- profit distribution	208,558	92,504	92,504
- effect of the merger with a subsidiary - subsidiary's transfer of profit to supplementary capital	-	28,200	28,200
b) decrease	-	(60,789)	-
- effect of the merger with a subsidiary - subsidiary's payout of an interim dividend from retained earnings and supplementary capital executed prior to the merger	-	(41,973)	-
- effect of the merger with a subsidiary - coverage of retained losses in a subsidiary	-	(18,816)	-
2.2. Balance of supplementary capital at the end of the period	**889,818**	**681,260**	**742,049**
3. Revaluation reserve at the beginning of the period	-	-	-
3.1. Changes in the revaluation reserve	-	-	-
3.2. Revaluation reserve at the end of the period	**-**	**-**	**-**
4. Other reserve capital at the beginning of the period	-	-	-
4.1. Change in other reserve capital	-	-	-
4.2. Other reserve capital at the end of the period	**-**	**-**	**-**
5. Profit (loss) brought forward at the beginning of the period	208,558	120,342	120,342
5.1. Profit brought forward at the beginning of the period	208,558	139,158	139,158
5.2. Profit brought forward at the beginning of the period, adjusted	208,558	139,158	139,158
(i) increase	-	-	-
b) decrease	(208,558)	(139,158)	(139,158)
- distribution of profits brought forward	(208,558)	(92,504)	(92,504)
- effect of the merger with a subsidiary - subsidiary's transfer of profit to supplementary capital	-	(28,200)	(28,200)
- effect of the merger with a subsidiary - subsidiary's retained losses	-	(18,454)	(18,454)
5.3. Profit brought forward at the end of the period	-	-	-
5.4. Loss brought forward at the beginning of the period	-	(18,816)	(18,816)
5.5. Loss brought forward at the beginning of the period, adjusted	-	(18,816)	(18,816)
(i) increase	-	-	-
b) decrease	-	18,816	-
- effect of the merger with a subsidiary - subsidiary's retained losses	-	18,816	-
5.6. Losses brought forward at the end of the period	-	-	(18,816)
5.7. Profit (loss) brought forward at the end of the period	**-**	**-**	**(18,816)**
6. Net result	**133,434**	**208,558**	**54,831**
a) net profit	133,434	208,558	54,831
b) net loss	-	-	-
c) charges to profit	-	-	-
7. Other items of equity at the beginning of the period	31,783	7,133	7,133
7.1 Change in other items of equity	(1,435)	24,650	18,454
(i) increase	(1,435)	24,650	18,454
- effect of settlement of the merger with a subsidiary	(1,435)	24,650	18,454
7. Other items of equity at the end of the period	**30,348**	**31,783**	**25,587**
8. Charges to net profit during the financial year (negative figure)	**-**	**(1,435)**	**-**
II. Equity at the end of the period (CB)	**1,063,404**	**929,970**	**813,455**
III. Equity after considering the proposed distribution of profits (coverage of losses)	**1,063,404**	**929,970**	**813,455**

**restated data according to the description in note 4*

ADDITIONAL NOTES

1. General information

Dino Polska S.A. ("Company") is a joint stock company with its registered office in Krotoszyn whose shares are publicly traded. The Company's interim condensed financial statements span the 6-month period ended 30 June 2019 and contain comparative data for the 6-month period ended 30 June 2018 and as at 31 December 2018.

The Company is entered in the register of commercial undertakings of the National Court Register kept by the District Court, 9th Commercial Division of the National Court Register under file number KRS 0000408273. The Company has been given the following statistical number: REGON 300820828.

The Company's duration is unlimited.

According to the Company's articles of association, the Company's core business is:

1. 47.11.Z Retail sale in non-specialized stores with food, beverages or tobacco products predominating,
2. 46.39.Z Non-specialized wholesale of food, beverages and tobacco products.

The Company's interim condensed financial statements for the 6-month period ended 30 June 2019 have been approved for publication by the Management Board.

2. Basis for preparation of the interim condensed financial statements

These interim condensed financial statements were drawn up pursuant to the provisions of the Accounting Act of 29 September 1994 (hereinafter "Accounting Act") and according to the requirements set forth in the Finance Minister's Regulation of 29 March 2018 on the current and periodic information transmitted by securities issuers (Journal of Laws of 2018, Item 757).

These interim condensed financial statements do not contain all the information and disclosures required in annual financial statements and should be read jointly with the Company's financial statements for the year ended 31 December 2018 and approved for publication on 14 March 2019.

These interim condensed financial statements are presented in Polish zloty ("PLN"), while all the figures are stated in thousands of PLN, unless stated otherwise.

These interim condensed financial statements were drawn up under the assumption that the Company remains a going concern for at least 12 months after the balance sheet date, i.e. after 30 June 2019. As at 30 June 2019, the Group presented an excess of current liabilities over current assets, which is typical for the retail industry and its seasonality, where a predominant part of sales is made for cash, inventories are minimized and suppliers offer deferred payment terms. At the same time, the Company intensively develops its network using free cash and funding from bank loans to increase the value of the investments. Conditions precedent related to the loan agreements are monitored on an ongoing basis and as of now there is no risk of termination of these agreements by the banks. The Company's Management Board did not identify, as at the date of signing the financial statements, any other facts or circumstances that would point to any threat to the Company's ability to continue its activity for at least 12 months after the balance sheet date as a result of intentional or induced discontinuation or material curtailment of its existing activity.

The interim financial result may not fully reflect the financial result that may be generated in the financial year.

3. Significant accounting principles (policies)

The accounting principles (policies) used to draw up the interim condensed financial statements are consistent with the ones that were used to draw up the Company's annual financial statements for the year that began on 1 January 2018.

4. Change of estimates and corrections of errors

No change of estimates and no correction of errors were made in the 6-month period ended 30 June 2019 versus 31 December 2018.

To ensure comparative data a correction of an error was made in respect of the recognition of revenue and costs related to transactions involving press and mobile telephone top-ups as discussed in the 2018 financial statements. Accordingly, revenue and cost of sales in H1 2018 were reduced by PLN 27,936 thousand.

In addition, the Company restated data for H1 2018 in connection with the business combination described in the 2018 financial statements.

Moreover, the Group has made a change to the method of presentation involving the recognition of receivables for payment cards in the line item Trade and other receivables instead of in the line item Cash and cash equivalents. Accordingly, the pertinent reclassification has been made totaling PLN 35,794 thousand in H1 2019, PLN 16,419 thousand in 2018 and PLN 18,431 thousand in H1 2018. This figure in the various quarters was as follows: PLN 20,218 thousand in Q1 2018, PLN 23,024 thousand in Q3 2018 and PLN 28,875 thousand in Q1 2019. Moreover, data have been restated in the interim consolidated cash flow statement.

5. Business seasonality

Sales revenues and financial results reported in individual quarters reflect the seasonality of sales. The Company posts increased sales revenues in periods close to holidays and in the summer. Moreover, the Company's revenues also depend on the number of store openings, which in the winder, especially in the first quarter of the year, is lower than in the remaining quarters of the year, in particular lower than in Q3 and Q4, because of the weather conditions hindering construction work.

6. Dividends distributed and proposed for distribution

During the reporting period, the Company did not pay out a dividend.

7. Revenues and costs

7.1. Other operating income

	01.01.2019-30.06.2019	***01.01.2018-30.06.2018****
Profit on disposal of non-financial non-current assets	-	-
Grants	101	101
Other operating income, including:	2,659	2,599
- received payments for damages	424	287
- income for making timely payments (0.3%)	67	49
- revenues on the sales of PMEF certificates	-	632
- other (including debit/credit notes)	2,168	1,631
Total other operating income	**2,760**	**2,700**

**restated data*

7.2. Other operating expenses

	01.01.2019-30.06.2019	*01.01.2018-30.06.2018**
Loss on disposal of non-financial non-current assets, including:	1,308	559
- loss on the disposal of fixed assets and intangible assets	1,308	559
Other operating expenses, including:	3,545	360
- consequences of theft	142	192
- donations	157	54
- other	3,135	94
- written off receivables	111	20
Total other operating expenses	**4,853**	**919**

**restated data*

7.3. Financial income

	01.01.2019-30.06.2019	*01.01.2018-30.06.2018**
Interest, including:	3,661	1,925
- interest from related companies	3,584	1,830
- bank interest	77	95
Other, including:	52	-
- foreign exchange gains and losses	52	-
Total financial income	**3,713**	**1,925**

**restated data*

7.4. Financial expenses

	01.01.2019-30.06.2019	*01.01.2018-30.06.2018**
Interest, including:	25,184	19,305
- interest paid to related companies	67	64
- discount of trade payables	11,121	8,379
- interest paid to business partners	19	17
- bank interest	10,788	7,419
- interest on bonds	1,554	1,498
- interest on lease agreements	1,635	1,928
Other, including:	3,113	2,922
- foreign exchange gains and losses	-	45
- other financial expenses (commissions, sureties)	3,113	2,877
Total financial expenses	**28,297**	**22,227**

**restated data*

8. Income tax

The reconciliation of income tax on profit (loss) before tax at the statutory tax rate with income tax calculated at the Company's effective tax rate is as follows:

	01.01.2019-30.06.2019	***01.01.2018-30.06.2018****
Profit before tax	164,048	69,001
Tax at the statutory tax rate in Poland at 19% (comparative period: 19%)	31,169	13,110
Tax effect of expenses related to the incentive system	-	-
Income and expense items that are not taxable and other adjustments	(555)	1,060
Tax at the effective tax rate	30,614	14,170
Income tax (expense) recognized in profit or loss	30,614	14,170

**restated data*

Deferred tax is calculated on the basis of the following items:

	Balance sheet		*Profit and loss account*	
	30.06.2019	***31.12.2018***	***30.06.2019***	***30.06.2018****
Deferred tax liability				
Accelerated tax depreciation	21,746	18,573	3,173	2,457
Accrued interest unpaid as at the balance sheet date	1,160	1,673	(513)	257
Deferred income	11,761	7,510	4,251	4,660
Foreign exchange gains	-	37	(37)	(2)
Deferred tax liability	**34,667**	**27,793**		
Deferred tax assets				
Provisions for jubilee awards and retirement severance benefits	356	356	-	-
Provision for unused holiday leave	4,953	4,048	905	704
Provision for employee benefits / bonuses	673	767	(94)	247
Mandate contracts paid in the subsequent year	110	134	(24)	207
Social security contributions	3,880	3,406	474	308
Provision reducing inventories	11,630	11,687	(57)	615
Provision for auditing the financial statements	47	90	(43)	(61)
Provision for interest to be paid	3,073	2,272	801	46
Provision for other costs	1,415	965	450	352
Tax losses deductible from future taxable income	-	-	-	3,789
Other (including license fees, foreign exchange losses, impairment losses for receivables)	-	19	(19)	(1)
Deferred tax assets	**26,137**	**23,744**		
Deferred tax expense			**4,481**	**1,166**

**restated data*

The details of transactions and tax risks were presented in the 2018 consolidated financial statements.

9. Property, plant and equipment

Purchase and sale

In the 6-month period ended 30 June 2019 the Group purchased property, plant and equipment worth PLN 325,585 thousand (in the 6-month period ended 30 June 2018: PLN 232,587 thousand).

In the 6-month period ended 30 June 2019 the Group liquidated and sold property, plant and equipment whose total net value was PLN 1,844 thousand (in the 6-month period ended 30 June 2018: PLN 1,046 thousand).

10. Intangible assets

Purchase and sale

In the 6-month period ended 30 June 2019 the Company purchased intangible assets worth PLN 5,287 thousand (PLN 1,840 thousand in 2018).

11. Investments in subsidiaries, associates and co-subsidiaries

On 13 May 2019, the share capital of Centrum Wynajmu Nieruchomości sp. z o.o. was raised from PLN 50,000.00 to PLN 179,000.00 by creating 129 new shares. All the shares were subscribed for by Dino Polska S.A. in exchange for a cash contribution in the amount of PLN 28,400,000.00.

12. Inventories

	30.06.2019	***31.12.2018***
Products (at purchase price)	461,746	428,621
Total inventory at net purchase price	**461,746**	**428,621**

In the 6-month period ended 30 June 2019 the Company did not establish any impairment losses for inventories.

13. Impairment losses for receivables

	Impairment losses for non-current receivables	*Impairment losses for current receivables*
As at 1 January 2019	**-**	**224**
Increases	-	111
- impairment losses for settlements	-	111
Utilization	-	(111)
- impairment losses for settlements	-	(111)
Reversal	-	-
As at 30 June 2019	**-**	**224**

(in thousands of PLN)	*Impairment losses for non-current receivables*	*Impairment losses for current receivables*
As at 1 January 2018	**-**	**407**
Increases	-	62
- impairment losses for settlements	-	62
Utilization	-	(210)
- impairment losses for settlements	-	(210)
Reversal	-	(35)
- impairment losses for settlements	-	(35)
As at 31 December 2018	**-**	**224**

14. Capital

As at 30 June 2019 the Company's share capital was PLN 9,804 thousand and was divided into 98,040,000 shares with a nominal value of PLN 0.10 each.

As at 31 December 2018 the Company's share capital was PLN 9,804 thousand and was divided into 98,040,000 shares with a nominal value of PLN 0.10 each.

As at the balance sheet date, the ownership structure of the Company's share capital was as follows:

30 June 2019

	Number of shares and number of votes at the Shareholder Meeting	*Share in the share capital and in votes at the Shareholder Meeting*
Tomasz Biernacki	50,103,000	51.10%
Other shareholders	47,937,000	48.90%
Total	**98,040,000**	**100.00%**

31 December 2018

	Number of shares and number of votes at the Shareholder Meeting	*Share in the share capital and in votes at the Shareholder Meeting*
Tomasz Biernacki	50,103,000	51.10%
Other shareholders	47,937,000	48.90%
Total	**98,040,000**	**100.00%**

15. Provisions

	Deferred tax liability	*Provision for pension and disability benefits*	*Total*
As at 1 January 2019	**27,793**	**1,877**	**29,670**
Increases	6,874	-	6,874
Utilization	-	-	-
As at 30 June 2019, including:	**34,667**	**1,877**	**36,544**
Long-term provisions	34,667	1,362	36,029
Short-term provisions	-	515	515

	Deferred tax liability	*Provision for pension and disability benefits*	*Total*
As at 1 January 2018	**19,167**	**1,370**	**20,537**
Increases	8,626	507	9,133
Utilization	-	-	-
As at 31 December 2018, including:	**27,793**	**1,877**	**29,670**
Long-term provisions	27,793	1,362	29,155
Short-term provisions	-	515	515

**restated data*

16. Interest-bearing bank loans and borrowings, debt securities and lease liabilities

		30.06.2019	***31.12.2018***
Current			
Finance lease liabilities		48,826	40,321
Investment loans		89,974	79,591
Loans to finance current activity		15,705	9,455
Borrowing		448	430
Issue of debt securities	17.2	702	654
		155,655	**130,451**
Non-current			
Finance lease liabilities		58,376	57,922
Investment loans		454,669	419,940
Loans to finance current activity		52,409	22,569
Borrowing		386	621
Issue of debt securities	17.2	269,463	99,829
		835,303	**600,881**

Type of liability	***Date agreement signed***	***Outstanding liability as at 30 June 2019* (thousands of PLN)***	***Interest rate***	***Date of repayment***	***Collateral type***
1. Credit facility with mBank	2013-11-22	1,587	WIBOR + margin	2023-10-31	joint contractual mortgage, assignment of rights to an insurance policy
2. Credit facility with mBank	2012-03-08	3,782	WIBOR + margin	2021-12-31	joint contractual mortgage, assignment of rights to an insurance policy
3. Credit facility with PKO BP	2012-01-26	-	WIBOR + margin	2019-10-28	joint contractual mortgage, assignment of rights to an insurance policy
4. Credit facility with PKO BP	2011-04-13	2,114	WIBOR + margin	2021-04-12	joint contractual mortgage, assignment of rights to an insurance policy
5. Credit facility with PKO BP	2013-05-23	27,986	WIBOR + margin	2021-12-31	joint contractual mortgage, assignment of rights to an insurance policy
6. Credit facility with PKO BP	2016-10-25	43,824	WIBOR + margin	2024-10-24	joint contractual mortgage, assignment of rights to an insurance policy
8. Credit facility with mBank	2014-01-09	13,734	WIBOR + margin	2023-11-30	joint contractual mortgage, assignment of rights to an insurance policy
9. Credit facility with ING	2014-04-15	25,004	WIBOR + margin	2022-04-14	joint contractual mortgage, assignment of rights to an insurance policy
10. Credit facility with Bank Millennium	2014-12-18	5,980	WIBOR + margin	2020-06-17	joint contractual mortgage, assignment of rights to an insurance policy
11. Credit facility with mBank	2015-04-17	14,743	WIBOR + margin	2025-03-31	joint contractual mortgage, assignment of rights to an insurance policy
12. Credit facility with ING	2014-04-15	-	WIBOR + margin	2020-04-14	joint contractual mortgage, assignment of rights to an insurance policy
13. Credit facility with mBank	2016-08-16	3,495	WIBOR + margin	2021-07-30	joint contractual mortgage, assignment of rights to an insurance policy
14. Credit facility with mBank	2016-11-04	-	WIBOR + margin	2019-10-08	joint contractual mortgage, assignment of rights to an insurance policy
15. Credit facility with Millennium	2016-05-12	22,104	WIBOR + margin	2021-05-11	joint contractual mortgage, assignment of rights to an insurance policy
16. Borrowing from Siemens	2016-02-24	833	WIBOR + margin	2021-02-28	bill of exchange
17. Credit facility with PKO BP	2016-10-25	125,294	WIBOR + margin	2025-04-24	joint contractual mortgage, assignment of rights to an insurance policy
18. Credit facility with ING	2016-04-15	15,624	WIBOR + margin	2024-04-14	joint contractual mortgage, assignment of rights to an insurance policy
19. Credit facility with BGŻ BNP Paribas	2017-03-20	-	WIBOR + margin	2021-03-31	joint contractual mortgage, assignment of rights to an insurance policy
20. Credit facility with BGŻ BNP Paribas	2017-03-20	75,238	WIBOR + margin	2027-03-19	joint contractual mortgage, assignment of rights to an insurance policy
21. Credit facility with BZ WBK	2018-02-19	63,182	WIBOR + margin	2023-02-18	joint contractual mortgage, assignment of rights to an insurance policy
22. Credit facility with Bank Handlowy	2018-10-03	-	WIBOR + margin	2021-10-01	joint contractual mortgage, assignment of rights to an insurance policy
23. Credit facility with PKO BP	2019-02-11	80,000	WIBOR + margin	2026-08-11	joint contractual mortgage, assignment of rights to an insurance policy
24. Credit facility with ING	2018-07-03	50,000	WIBOR + margin	2026-07-02	joint contractual mortgage, assignment of rights to an insurance policy
25. Credit facility with Millennium	2018-08-09	30	WIBOR + margin	2021-08-08	joint contractual mortgage, assignment of rights to an insurance policy
26. Credit facility with Millennium	2018-08-09	40,000	WIBOR + margin	2023-08-08	joint contractual mortgage, assignment of rights to an insurance policy
TOTAL		**614,554**			

** Balance of liabilities net of commissions.*

In addition, the liabilities for loans and lease agreements also have security interests in the form of blank bills of exchange.

Type of liability	***Date agreement signed***	***Outstanding liability as at 31 December 2018**** **(thousands of PLN)**	***Interest rate***	***Date of repayment***	***Collateral type***
1. Credit facility with mBank	2013-11-22	1,770	WIBOR + margin	2023-10-31	joint contractual mortgage, assignment of rights to an insurance policy
2. Credit facility with mBank	2012-03-08	4,539	WIBOR + margin	2021-12-31	joint contractual mortgage, assignment of rights to an insurance policy
3. Credit facility with PKO BP	2012-01-26	-	WIBOR + margin	2019-10-28	joint contractual mortgage, assignment of rights to an insurance policy
4. Credit facility with PKO BP	2011-04-13	2,579	WIBOR + margin	2021-04-12	joint contractual mortgage, assignment of rights to an insurance policy
5. Credit facility with PKO BP	2013-05-23	32,500	WIBOR + margin	2021-12-31	joint contractual mortgage, assignment of rights to an insurance policy
6. Credit facility with PKO BP	2016-10-25	47,248	WIBOR + margin	2024-10-24	joint contractual mortgage, assignment of rights to an insurance policy
7. Credit facility with BZ WBK	2018-02-19	66,310	WIBOR + margin	2023-02-18	joint contractual mortgage, assignment of rights to an insurance policy
8. Credit facility with mBank	2014-01-09	15,327	WIBOR + margin	2023-11-30	joint contractual mortgage, assignment of rights to an insurance policy
9. Credit facility with ING	2014-04-15	29,170	WIBOR + margin	2022-04-14	joint contractual mortgage, assignment of rights to an insurance policy
10. Credit facility with Bank Millennium	2014-12-18	7,167	WIBOR + margin	2020-06-17	joint contractual mortgage, assignment of rights to an insurance policy
11. Credit facility with mBank	2015-04-17	16,025	WIBOR + margin	2025-03-31	joint contractual mortgage, assignment of rights to an insurance policy
12. Credit facility with ING	2014-04-15	-	WIBOR + margin	2020-04-14	joint contractual mortgage, assignment of rights to an insurance policy
13. Credit facility with Millennium	2018-08-09	28	WIBOR + margin	2021-08-08	joint contractual mortgage, assignment of rights to an insurance policy
14. Credit facility with mBank	2016-08-16	3,753	WIBOR + margin	2021-07-30	joint contractual mortgage, assignment of rights to an insurance policy
15. Credit facility with mBank	2016-04-11	-	WIBOR + margin	2019-10-08	joint contractual mortgage, assignment of rights to an insurance policy
16. Credit facility with Millennium	2016-05-12	24,858	WIBOR + margin	2021-05-11	joint contractual mortgage, assignment of rights to an insurance policy
17. Borrowing from Siemens	2016-02-24	1,051	WIBOR + margin	2021-02-28	bill of exchange
18. Credit facility with PKO BP	2016-10-25	134,118	WIBOR + margin	2025-04-24	joint contractual mortgage, assignment of rights to an insurance policy
19. Credit facility with ING	2016-04-15	17,186	WIBOR + margin	2024-04-14	joint contractual mortgage, assignment of rights to an insurance policy
20. Credit facility with BGŻ BNP Paribas	2017-03-20	-	WIBOR + margin	2019-03-19	joint contractual mortgage, assignment of rights to an insurance policy
21. Credit facility with BGŻ BNP Paribas	2017-03-20	80,000	WIBOR + margin	2025-12-31	joint contractual mortgage, assignment of rights to an insurance policy
22. Credit facility with ING	2018-07-03	50,000	WIBOR + margin	2026-07-02	joint contractual mortgage, assignment of rights to an insurance policy
23. Credit facility with Bank Handlowy CITI	2018-10-03	-	WIBOR + margin	2021-10-01	joint contractual mortgage, assignment of rights to an insurance policy, statement of submission to enforcement art. 777 par. 1 item 5 of the Code of Civil Procedure
TOTAL		**533,629**			

** Balance of liabilities net of commissions.*

In addition, the liabilities for loans and lease agreements also have security interests in the form of blank bills of exchange.

17. Other significant changes

17.1. Non-recurring amounts and events

No atypical events transpired in the Company's business in the current or previous reporting period.

17.2. Investment securities

On 26 June 2019 Dino Polska issued 1,700 bonds with a nominal value of PLN 100,000 each and a total value of PLN 170,000,000.00. The bonds bear interest at a floating interest rate of WIBOR 3M plus a fixed margin of 1.30 percentage points per annum. The maturity date was set for 26 June 2022. The bonds are secured under a surety provided by selected Dino Polska S.A. Group companies.

The Company did not issue, redeem or pay down any securities, whether equities or not in the period from 1 January 2018 to 30 June 2018.

17.3. Litigation

No material litigation was launched in the period from 1 January 2019 to 30 June 2019 or from 1 January 2018 to 30 June 2018.

17.4. Contingent liabilities, also including the guarantees and sureties extended by the entity, also on bills of exchange and contingent assets

As at 30 June 2019 the Company had the following contingent liabilities:

1. surety for amortization of an investment loan drawn down by Agro-Rydzyna sp. z o.o., agreement no. 40/105/11/Z/IN of 14 December 2011 entered into with BRE Bank S.A. for PLN 14,750 thousand. The loan has a floating interest rate. The final date of repayment is 31 August 2021. The surety covers the principal, interest on the principal and other costs.
2. surety for amortization of an investment loan drawn down by Dino Krotoszyn sp. z o.o., agreement of 15 January 2018 entered into with PKO BP S.A. for PLN 16,074 thousand. The loan has a floating interest rate. The final date of repayment is 24 October 2024. The surety covers the principal, interest on the principal and other costs.
3. surety for amortization of an investment loan drawn down by Centrum Wynajmu Nieruchomości sp. z o.o., agreement of 16 August 2016 entered into with mBank S.A. for PLN 32,000 thousand. The loan has a floating interest rate. The final date of repayment is 30 July 2021. The surety covers the principal, interest on the principal and other costs.
4. surety for amortization of an investment loan drawn down by Dino Południe sp. z o.o., agreement of 11 February 2019 entered into with PKO BP S.A. for PLN 70,000 thousand. The loan has a floating interest rate. The final date of repayment is 11 August 2026. The surety covers the principal, interest on the principal and other costs.

As at 30 June 2018 the Company had the following contingent liabilities:

1. surety for amortization of an investment loan drawn down by Agro-Rydzyna sp. z o.o., agreement of 14 December 2011 entered into with BRE Bank S.A. for PLN 14,750 thousand. The loan has a floating interest rate. The final date of repayment is 31 August 2021. The surety covers the principal, interest on the principal and other costs.
2. surety for amortization of an investment loan drawn down by Dino Krotoszyn sp. z o.o., agreement of 15 January 2018 entered into with PKO BP S.A. for PLN 16,074 thousand. The loan has a floating interest rate. The final date of repayment is 24 October 2024. The surety covers the principal, interest on the principal and other costs.
3. surety for amortization of an investment loan drawn down by Centrum Wynajmu Nieruchomości sp. z o.o., agreement of 16 August 2016 entered into with mBank S.A. for PLN 32,000 thousand. The loan has a floating interest rate. The final date of repayment is 30 July 2021. The surety covers the principal, interest on the principal and other costs.

17.5. Obligations to incur capital expenditures

As at 30 June 2019, liabilities for property, plant and equipment purchases were related mainly to the purchase of services related to the ongoing rollout of the Dino Polska Group store network. The total figure was PLN 96,518 thousand (PLN 110,898 thousand as at 31 December 2018).

17.6. Cash and cash equivalents

For the purposes of the interim statement of cash flows, cash and cash equivalents consist of the following line items:

	30.06.2019	*30.06.2018**
Cash at bank and in hand	77,689	82,464
Short-term deposits	248,174	78,226
Other cash	52	18
Total	**325,915**	**160,708**

**restated data*

The tables below depict the reasons for the differences between the balance sheet movements in some line items and the movements following from the statement of cash flows:

Interest and profit sharing (in thousands of PLN)	*01.01.2019-30.06.2019*	*01.01.2018-30.06.2018**
Result on financing activity for interest	21,522	17,379
Financial expenses - commissions and sureties received	123	1,035
Interest and profit sharing in the statement of cash flows	**21,645**	**18,414**

Receivables (in thousands of PLN)	*01.01.2019-30.06.2019*	*01.01.2018-30.06.2018**
Balance sheet movement in net non-current and current receivables	22,037	33,090
Movement in receivables on the sale of fixed assets	(1,429)	(543)
Movement in receivables in the statement of cash flows	**20,608**	**32,547**

Liabilities (in thousands of PLN)	*01.01.2019-30.06.2019*	*01.01.2018-30.06.2018**
Balance sheet movement of current and non-current liabilities	251,064	115,516
Balance sheet movement of current and non-current loans and borrowings and bonds	(80,985)	(92,796)
Movement in bonds	(170,702)	-
Movement in finance lease liabilities	(8,959)	18,268
Movement in liabilities for the fees for received sureties	2,990	1,844
Movement in settlements on the purchase of fixed assets	15,180	(4,956)
Movement in liabilities in the statement of cash flows	**8,588**	**37,876**

**restated data*

17.7. Other selected disclosures

On 12 April 2019 the Company's Supervisory Board adopted a resolution appointing Mr. Jakub Macuga to be a Management Board member of Dino Polska S.A.

In June 2019 the Company's Management Board made the decision to commence the construction of a new distribution center in the town of Łobez in the Western Pomeranian Region. For this purpose the Company will

enter into a number of contracts with entities unrelated to the Company that specialize in the execution of such investments, including the entity that will play the role of general contractor. This investment will involve the comprehensive construction and fit-out of the freezer, refrigerated storage area, controlled-temperature warehouses, dry goods warehouse and social and office space with the accompanying technical infrastructure, internal roads and parking spots. The total planned warehouse space will be 43.5 thousand square meters. The total (net) estimated cost of the investment will be approximately PLN 80 million and it will be financed using the Company's own funds and bank loans. The purpose of the new distribution center is to handle the deliveries of goods to the growing number of Dino stores and support the network's ongoing geographic expansion. The Company anticipates that the investment will be completed in the second quarter of 2020.

18. Objectives and principles of managing financial risk

The Company is exposed to market risk, which encompasses mostly the risk of changing interest rates, but is not exposed to foreign exchange rate fluctuation risk. The Company does not hold and does not issue any financial derivatives held for trading.

The Company has guidelines and recommendations in place for managing financial risk, which define its comprehensive operating strategies, risk tolerance level and the overall risk management philosophy.

No material changes were made to the rules of financial risk management in the 6-month period ended 30 June 2019 compared to the 2018 financial statements.

19. Financial instruments

In the Company's opinion, the fair value of cash, short-term deposits, trade receivables, trade payables, bank loans, other loans, outstanding bonds and finance lease liabilities does not deviate from their carrying amounts. In the 6-month period ended 30 June 2019, no changes were made to the fair value measurement methodology pertaining to financial instruments and no changes were made to the classification of financial assets resulting from a change of purpose or use of such assets.

Carrying amounts of individual classes of financial instruments

	Carrying amount	
	30.06.2019	***31.12.2018***
Financial assets		
Cash	325,915	259,406
Trade receivables	15,199	21,721
Other financial assets (non-current)	755,836	727,435
Total	**1,096,950**	**1,008,562**
Financial liabilities		
Trade payables, including factoring	1,011,017	969,829
Interest-bearing bank loans and borrowings and lease liabilities:	720,793	630,849
- finance lease and hire-purchase liabilities	107,202	98,243
- Loans and borrowings based on floating interest rate	613,591	532,606
Bonds	270,165	100,483
Total	**2,001,975**	**1,701,161**

20. Discontinued activity

The Company has not discontinued any operations in the period covered by these financial statements.

21. Related party transactions

a) Group

The Company functions within the Dino Polska Group.

The Company prepares consolidated financial statements for the group in which it is the parent company.

b) Parent company

Tomasz Biernacki doing business as Zakłady Mięsne "Biernacki" Tomasz Biernacki with its registered office in Czeluścin, Czeluścin 6, 63-830 Pępowo is the Company's parent company.

The size of transactions with the parent company was as follows:

(in thousands of PLN)	*01.01.2019-30.06.2019*	*01.01.2018-30.06.2018*
Procurements	216	261
Sales	3	-

(in thousands of PLN)	*30.06.2019*	*31.12.2018*
Receivables on account of goods, work and services	-	3
Payables on account of goods, work and services	70	97

c) Transactions with other related parties, including parties along with the Company that are under the parent company's joint control

The size of transactions with subsidiaries and associates was as follows:

"Agro-Rydzyna" spółka z ograniczoną odpowiedzialnością

(in thousands of PLN)	*01.01.2019-30.06.2019*	*01.01.2018-30.06.2018*
Procurements	425,427	346,269
Sales	1,280	1,168

(in thousands of PLN)	*30.06.2019*	*31.12.2018*
Receivables on account of goods, work and services	9	7,951
Payables on account of goods, work and services	157,762	130,332
Other payables	-	31,330

Vitrena Holdings Ltd

(in thousands of PLN)	*30.06.2019*	*31.12.2018*
Other payables	1	1

Centrum Wynajmu Nieruchomości spółka z ograniczoną odpowiedzialnością

(in thousands of PLN)	*01.01.2019-30.06.2019*	*01.01.2018-30.06.2018*
Procurements	12,736	12,971
Sales	1,003	633
Interest – financial income	1,556	756

(in thousands of PLN)	*30.06.2019*	*31.12.2018*
Receivables on account of goods, work and services	169	397
Payables on account of goods, work and services	3,888	1,993
Loans granted	72,511	12,605
Loans received	2,203	-
Other receivables	-	6
Other payables	1,905	1,546
Other securities	-	27,570

Centrum Wynajmu Nieruchomości 1 S.A.

(in thousands of PLN)	*01.01.2019-30.06.2019*	*01.01.2018-30.06.2018*
Procurements	7,617	1,942
Sales	53	195
Interest - financial expenses	48	48
Interest – financial income	23	-

(in thousands of PLN)	*30.06.2019*	*31.12.2018*
Receivables on account of goods, work and services	1	8
Payables on account of goods, work and services	7,645	5,516
Loans granted	1,123	-
Loans received	3,047	2,496
Other receivables	-	30
Other payables	8	357

Centrum Wynajmu Nieruchomości 2 S.A.

(in thousands of PLN)	*01.01.2019-30.06.2019*	*01.01.2018-30.06.2018*
Procurements	7,414	4,287
Sales	10	13
Interest – financial income	369	367

(in thousands of PLN)	*30.06.2019*	*31.12.2018*
Receivables on account of goods, work and services	1	5
Payables on account of goods, work and services	5,691	2,628
Loans granted	19,756	14,787
Loans received	1,647	-
Other receivables	-	5
Other payables	-	1,118

Centrum Wynajmu Nieruchomości 3 S.A.

(in thousands of PLN)	*01.01.2019-30.06.2019*	*01.01.2018-30.06.2018*
Procurements	6,588	4,178
Sales	8	4
Interest – financial income	178	192

(in thousands of PLN)	*30.06.2019*	*31.12.2018*
Receivables on account of goods, work and services	1	5
Payables on account of goods, work and services	6,319	2,341
Loans granted	9,480	4,902
Loans received	1,396	-
Other receivables	-	5
Other payables	-	954

Centrum Wynajmu Nieruchomości 4 S.A.

(in thousands of PLN)	*01.01.2019-30.06.2019*	*01.01.2018-30.06.2018*
Procurements	6,230	2,418
Sales	8	6
Interest – financial income	308	220

(in thousands of PLN)	*30.06.2019*	*31.12.2018*
Receivables on account of goods, work and services	1	6
Payables on account of goods, work and services	1,782	2,126
Loans granted	17,084	9,776
Loans received	1,030	-
Other receivables	-	5
Other payables	-	711

Centrum Wynajmu Nieruchomości 5 S.A.

(in thousands of PLN)	*01.01.2019-30.06.2019*	*01.01.2018-30.06.2018*
Procurements	5,892	1,703
Sales	8	5
Interest - financial expenses	19	16
Interest – financial income	131	13

(in thousands of PLN)	*30.06.2019*	*31.12.2018*
Receivables on account of goods, work and services	2	9
Payables on account of goods, work and services	6,654	3,031
Loans granted	6,682	2,052
Loans received	2,056	1,040
Other receivables	-	5
Other payables	-	663

Centrum Wynajmu Nieruchomości 6 S.A.

(in thousands of PLN)	*01.01.2019-30.06.2019*	*01.01.2018-30.06.2018*
Procurements	6,877	3,495
Sales	17	5
Interest – financial income	196	127

(in thousands of PLN)	*30.06.2019*	*31.12.2018*
Receivables on account of goods, work and services	2	7
Payables on account of goods, work and services	5,279	2,891
Loans granted	10,474	6,678
Loans received	1,558	-
Other receivables	13	5
Other payables	-	1,061

PIK Finanse spółka z ograniczoną odpowiedzialnością

(in thousands of PLN)	*01.01.2019-30.06.2019*	*01.01.2018-30.06.2018*
Sales	4	4

(in thousands of PLN)	*30.06.2019*	*31.12.2018*
Receivables on account of goods, work and services	-	1
Loans received	10,896	10,896

Dino Krotoszyn spółka z ograniczoną odpowiedzialnością

(in thousands of PLN)	*01.01.2019-30.06.2019*	*01.01.2018-30.06.2018*
Procurements	11,209	10,632
Sales	166	31
Interest – financial income	10	34

(in thousands of PLN)	*30.06.2019*	*31.12.2018*
Receivables on account of goods, work and services	4	7
Payables on account of goods, work and services	13,172	15,478

Loans granted	106	1,797
Other receivables	4	7

Dino Oil spółka z ograniczoną odpowiedzialnością

(in thousands of PLN)	*01.01.2019-30.06.2019*	*01.01.2018-30.06.2018*
Sales	4	4
Interest – financial income	1	1

(in thousands of PLN)	*30.06.2019*	*31.12.2018*
Receivables on account of goods, work and services	1	2
Loans granted	51	45

Dino Północ spółka z ograniczoną odpowiedzialnością

(in thousands of PLN)	*01.01.2019-30.06.2019*	*01.01.2018-30.06.2018*
Sales	4	4

(in thousands of PLN)	*30.06.2019*	*31.12.2018*
Receivables on account of goods, work and services	31	29

Dino Południe spółka z ograniczoną odpowiedzialnością

(in thousands of PLN)	*01.01.2019-30.06.2019*	*01.01.2018-30.06.2018*
Procurements	8,460	-
Sales	96	8
Interest – financial income	812	120

(in thousands of PLN)	*30.06.2019*	*31.12.2018*
Receivables on account of goods, work and services	17	10
Payables on account of goods, work and services	2,112	707
Loans granted	29,284	82,049
Other receivables	-	2,115

The amount of the transactions with other related parties was:

TBE spółka z ograniczoną odpowiedzialnością

(in thousands of PLN)	*01.01.2019-30.06.2019*	*01.01.2018-30.06.2018*
Sales	2	2

(in thousands of PLN)	*30.06.2019*	*31.12.2018*
Receivables on account of goods, work and services	1	1

Krot Invest KR Inżynieria sp. z o.o. SKA

(in thousands of PLN)	*01.01.2019-30.06.2019*	*01.01.2018-30.06.2018*
Procurements	159,314	109,740
Sales	334	442

(in thousands of PLN)	*30.06.2019*	*31.12.2018*
Receivables on account of goods, work and services	128	173
Payables on account of goods, work and services	-	11
Other receivables	16	22
Other payables	71,628	85,740

Krot Invest 2 KR Inżynieria sp. z o.o. Sp.k.

(in thousands of PLN)	*01.01.2019-30.06.2019*	*01.01.2018-30.06.2018*
Procurements	8,371	6,146
Sales	1	-

(in thousands of PLN)	*30.06.2019*	*31.12.2018*
Receivables on account of goods, work and services	-	6
Payables on account of goods, work and services	2,706	2,936
Other payables	164	314

The transaction with the management was for the following amount:

(in thousands of PLN)	*01.01.2019-30.06.2019*	*01.01.2018-31.12.2018*	*01.01.2018-30.06.2018*
Key managers (Management Board members)	-	-	-
Supervisory Board	-	-	-

Related party transactions were routine in nature and concluded on the arm's length basis, at prices no different from the prices used in transactions between unrelated parties.

22. Events after the reporting period

No material events transpired up to the date of preparation of these interim condensed financial statements that would require recognition or description hereunder.

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INDEPENDENT AUDITOR'S REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders and Supervisory Board of Dino Polska S.A.

Introduction

We have reviewed the interim condensed consolidated financial statements of Dino Polska S.A. Group (the 'Group'),for which the holding company is Dino Polska S.A. (the 'Company') located in Krotoszyn, at ul. Ostrowska 122, containing: the consolidated statement of financial position as at 30 June 2019, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the period from 1 January 2019 to 30 June 2019 and other explanatory notes (the 'interim condensed consolidated financial statements').

The Company's Management is responsible for the preparation and presentation of the interim condensed consolidated financial statements in accordance with the requirements of International Accounting Standard 34 *Interim Financial Reporting* as adopted by the European Union.

Our responsibility is to express a conclusion on the interim condensed consolidated financial statements based on our review.

Scope of review

We conducted our review in accordance with National Review Standard 2410 in the wording of the International Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* ('standard'), adopted by the National Council of Statutory Auditors. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with National Auditing Standards in the wording of the International Auditing Standards adopted by the National Council of Statutory Auditors and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with the requirements of International Accounting Standard 34 *Interim Financial Reporting* as adopted by the European Union.

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Warsaw, 19 August 2019

Key certified auditor

Łukasz Wojciechowski
certified auditor
no in the register: 12273

on behalf of
Ernst & Young Audyt Polska
spółka z ograniczoną odpowiedzialnością sp. k.
Rondo ONZ 1, 00-124 Warsaw
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INDEPENDENT AUDITOR'S REPORT ON REVIEW OF INTERIM CONDENSED FINANCIAL STATEMENTS

To the Shareholders and Supervisory Board of Dino Polska S.A.

Introduction

We have reviewed the interim condensed financial statements of Dino Polska S.A. (the 'Company') located in Krotoszyn, at ul. Ostrowska 122, including: the introduction to the financial statements, the balance sheet as at 30 June 2019, the income statement, the statement of changes in equity, the statement of cash flows for the period from 1 January 2019 to 30 June 2019 and the additional information and explanations (the 'interim condensed financial statements').

The scope and format of the interim condensed financial statements for the period from 1 January 2019 to 30 June 2019 is prescribed by 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').

The Company's Management is responsible for the preparation and presentation of the interim condensed financial statements in accordance with the requirements of the Accounting Act dated 29 September 1994 (the 'Accounting Act'), and the implementing rules and other applicable laws, and also in accordance with the requirements prescribed by the Decree on current and periodic information.
Our responsibility is to express a conclusion on the interim condensed financial statements based on our review.

Scope of review

We conducted our review in accordance with National Review Standard 2410 in the wording of the International Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* ('standard'), adopted by the National Council of Statutory Auditors. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with National Auditing Standards in the wording of the International Auditing Standards adopted by the National Council of Statutory Auditors and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim condensed financial statements are not prepared, in all material respects, in accordance with the requirements of the

Accounting Act, and the implementing rules and other applicable laws and also in accordance with requirements prescribed by the Decree on current and periodic information.

Warsaw, 19 August 2019

Key certified auditor

Łukasz Wojciechowski
certified auditor
no in the register: 12273

on behalf of
Ernst & Young Audyt Polska
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