



**Quarterly Report of the Dino
Polska S.A. Group for Q3 2017**

Dino Polska Spółka Akcyjna ("Dino", "Company", "Parent Entity")

Joint stock company with its registered office in Krotoszyn at ul. Ostrowska 122, 63-700 Krotoszyn, entered in the register of businesses of the National Court Register under file number 0000408273. NIP no. 6211766191, REGON no. 300820828. The Company's share capital as at 30 September 2017 was PLN 9,804,000.00 and consisted of 98,040,000 shares with a nominal value of PLN 0.10 each.

This document ("Q3 2017 Report", "Report") comprises the unaudited condensed quarterly consolidated financial statements of the Dino Polska S.A. Group ("Group", "Dino Group") for Q3 2017 ("Financial statements"), the Company's condensed financial information and additional information required by the provisions of law.

Unless specified otherwise, the data in this Report comes from the Dino Group. This document was prepared on 14 November 2017 ("Report Date").

Unofficial translation. Only the original Polish text is binding.

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1. DINO GROUP'S FINANCIAL HIGHLIGHTS

	<i>PLN 000s</i>		<i>EUR 000s*</i>	
	<i>from 1 January 2017 to 30 September 2017</i>	<i>from 1 January 2016 to 30 September 2016</i>	<i>from 1 January 2017 to 30 September 2017</i>	<i>from 1 January 2016 to 30 September 2016</i>
Sales revenues	3,238,569	2,450,114	760,835	560,821
Operating profit	200,799	149,940	47,174	34,321
Profit before tax	173,708	126,969	40,809	29,063
Net profit	140,684	113,240	33,051	25,920
Number of shares	98,040,000	98,040,000	98,040,000	98,040,000
Basic / diluted earnings per share in PLN, EUR	1.43	1.16	0.34	0.26
Cash flow from operating activities	262,039	118,486	61,561	27,121
Cash flow from investing activities	(277,942)	(264,197)	(65,297)	(60,474)
Cash flow from financing activities	9,682	154,756	2,275	35,423
Net change in cash and cash equivalents	(6,221)	9,045	(1,461)	2,070

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

average National Bank of Poland exchange rates for Q1-Q3 2017:	4.2566	PLN / EUR
average National Bank of Poland exchange rates for Q1-Q3 2016:	4.3688	PLN / EUR

	<i>PLN 000s</i>		<i>EUR 000s*</i>	
	<i>as at 30 September 2017</i>	<i>as at 31 December 2016</i>	<i>as at 30 September 2017</i>	<i>as at 31 December 2016</i>
Total assets	2,107,856	1,856,840	489,164	419,720
Total non-current assets	1,707,233	1,457,146	396,192	329,373
Total current assets	400,623	399,694	92,971	90,347
Equity	831,660	683,476	193,001	154,493
Share capital	9,804	9,804	2,275	2,216
Liabilities and provisions for liabilities	1,276,196	1,173,364	296,163	265,227
Non-current liabilities	495,513	459,378	114,992	103,838
Current liabilities	780,683	713,986	181,171	161,389

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

average NBP exchange rate as at 30 September 2017	4.3091	PLN / EUR
average NBP exchange rate as at 31 December 2016	4.4240	PLN / EUR

2. MANAGEMENT BOARD ACTIVITY REPORT

2.1. Operations of the Dino Group

2.1.1. Business profile

Dino is a leading player in Poland's growing proximity supermarket segment offering strong prospects. The Company is the fastest growing proximity supermarket network in Poland (measured by the CAGR of the number of stores in 2010-2015, source: Roland Berger) and one of the fastest growing networks (measured by the number of stores and revenues) in the overall retail grocery market in Poland.

Dino's business model combines the advantages of the proximity format (i.e. medium-sized stores 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 September 2017, Dino's network consisted of 718 stores located predominantly in western Poland with a total selling area of 273,038 square meters. The Dino Group has many years of experience and a proven capacity to open new stores using its own properties, enabling it to grow its number of stores by 394 in the period from the beginning of 2014 to 30 September 2017. Its network expansion is accompanied by significant (LFL) sales growth in its existing store network, which in Q3 2017 stood at 16.1% (and 15.2% for the period of 9M ended 30 September 2017), compared to the corresponding period of last year. For comparison, in Q3 2016 this figure stood at 10.8%, and YTD for the 9M of 2016 at 10.5%. The Dino Group continues to develop its network, consistently looking for new sites for its stores. In accordance with the Dino Group's strategy, the Management Board plans to exceed 1,200 stores by the end of 2020.

Dino stores are characterized by their uniform format. Most stores have a sales area of approx. 400 square meters and are located primarily in smaller communities, small and medium-sized towns and in the peripheries of big cities. Dino'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). Ownership of most land and construction of own stores allow the Dino Group to implement a uniform store format and make it possible to open stores quickly in new locations, where the availability of suitable space for lease is limited.

Each store offers its customers approx. 5,000 stock keeping units (SKUs), mostly well-known branded products with emphasis placed on its fresh product offering. The Dino Group offers key products at competitive prices. One of the most important attributes that differentiate Dino from discount networks is that every store has a meat counter with counter staff.

Dino Group's business model is scalable to a large extent. It comprises centralized management supported by suitable IT systems, a logistics network based on 3 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 consistently enhance the Dino Group's profitability.

The Dino Group strategy assumes further growth through focus on three key areas:

- continuation of quick organic growth of the number of stores – Dino plans to open more than 1,200 stores by the end of 2020. The Dino Group intends to continue the strategy of maintaining the ownership of most properties where the stores are located and take advantage of opportunities to organically grow the network in the existing form through: (i) increasing penetration in existing areas, and (ii) gradual expansion in the northern and eastern parts of Poland.

- continuing to grow LFL sales revenues in the existing 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 2014-2016 the Dino Group generated sustainable growth of the gross margin on sales and 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 Q3 2017

In Q3 2017, the Dino Group's revenues totaled PLN 1,220.2 million and were PLN 303.5 million, i.e. 33.1%, higher than in Q3 2016. At the same time, cost of sales increased 32.9% to PLN 937.6 million, as a result of which the gross sales margin was 23.2%, i.e. 0.11 percentage points above Q3 2016. EBITDA¹ rose 37.3% to PLN 108.9 million yoy. EBITDA¹ margin was 8.9%, i.e. 0.27 percentage points above Q3 2016.

YTD, in the first three quarters of 2017, the Dino Group's revenues totaled PLN 3,238.6 million and were PLN 788.5 million, i.e. 32.2%, higher than in the period from January to September 2016. At the same time, cost of sales increased 31.9% to PLN 2,497.6 million, as a result of which the gross sales margin was 22.9%, i.e. 0.15 percentage points above Q1-Q3 2016. EBITDA² rose 37.3% to PLN 275.2 million yoy. EBITDA² margin was 8.5%, i.e. 0.3 percentage points above the corresponding period of 2016.

The following table presents selected consolidated profit and loss account line items³

(PLN 000s)	Q3 2017	Q3 2016	change	Q1-Q3 2017	Q1-Q3 2016	change
Sales revenues	1,220,171	916,645	33.1%	3,238,569	2,450,114	32.2%
Cost of sales.....	(937,556)	(705,374)	32.9%	(2,497,615)	(1,893,201)	31.9%
Gross profit on sales	282,615	211,271	33.8%	740,954	556,913	33.0%
Other operating income.....	625	661	-5.4%	1,837	2,057	-10.7%
Sales and marketing expenses.....	(183,121)	(137,364)	33.3%	(493,592)	(373,679)	32.1%
Overhead.....	(13,344)	(14,092)	-5.3%	(47,664)	(33,956)	40.4%
Other operating expenses.....	(348)	(1,064)	-67.3%	(736)	(1,395)	-47.2%
Operating profit	86,427	59,412	45.5%	200,799	149,940	33.9%
Financial income.....	1	156	-99.4%	141	183	-23.0%
Financial costs.....	(9,379)	(8,034)	16.7%	(27,232)	(23,154)	17.6%
Profit before tax	77,049	51,534	49.5%	173,708	126,969	36.8%
Income tax.....	(13,507)	423	-	(33,024)	(13,729)	140.5%
Net profit	63,542	51,957	22.3%	140,684	113,240	24.2%

¹ EBITDA for Q3 2016 adjusted for non-recurring costs associated with the IPO of PLN 2,693 thousand (in Q3 2017 the Company did not incur non-recurring expenses);

² YTD EBITDA in the first 9 months of the year net of the non-recurring expenses related to the Company's IPO totaling: PLN 3,797 thousand in the period January-September 2016 and PLN 12,272 thousand in the period January-September 2017.

³ The data have not been adjusted for one-offs related to the public offering, i.e. the costs of the offering and of the incentive program related to the offering totaling: PLN 2,692 thousand in Q3 2016 and PLN 3,797 thousand in Q1-Q3 2016 and PLN 0 in Q3 2017 and PLN 12,272 thousand in Q1-Q3 2017.

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 network (like for like, LfL)⁴. LfL sales growth in Q3 2017 was 16.1%, compared to the corresponding period of 2016, while in Q3 2016 it was 10.8%.

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

%	2017				2016				2016	2015	2014
	Q1-Q3	Q3	Q2	Q1	Q1-Q3	Q3	Q2	Q1			
Inflation (deflation).....	1.9	1.9	1.8	2.0	-0.9	-0.8	-0.9	-0.9	-0.6	-0.9	0.0
Food price inflation.....	3.8	4.6	3.4	3.4	0.7	0.9	0.8	0.4	0.8	-1.7	-0.9
Dino's LFL	15.2	16.1	16.5	12.6	10.5	10.8	12.0	8.4	11.3	5.1	4.2

Fresh products, including meat, cold cuts and poultry, accounted for 36.3% of the Group's sales in Q3 2017 and for 36.7% in the period January-September 2017, i.e. up by 1.3 percentage point and 0.5 percentage point in relation to the corresponding period of 2016.

The following table presents the structure of sales revenues by product in individual periods.

%	Q3 2017	Q3 2016	Q1-Q3 2017	Q1-Q3 2016
Fresh products.....	36.3	35.0	36.7	36.2
Dry grocery products, beverages, alcohol and cigarettes.....	51.7	52.8	50.9	51.5
Non-grocery products	12.0	12.2	12.4	12.3

Dino's store network roll-out

In Q3 and YTD in the first 9 months of 2017, the Dino Group ramped up the progress of construction of new stores in relation to comparable periods of 2016. At the end of Q3 2017, the Group had secured 469 locations for further development. 121 plots were purchased (107 last year) out of which construction was under way on 72 plots (48 last year). In the case of another 348 plots, the Dino Group had signed preliminary purchase agreements (224 at the end of September 2016).

The following table presents the number of plots secured for the Dino network's store rollout and the number of new store openings.

	As at				
	30 September 2017	30 June 2017	31 March 2017	31 December 2016	30 September 2016
Plots purchased	121	116	121	90	107
including constructions under way.....	72	70	58	40	48
preliminary agreements.....	348	313	268	248	224
Total:.....	469	429	389	338	331
Number of new store openings in the quarter..	41	38	11	44	33

In Q3 2017, 41 new Dino stores were launched, 8 more than last year. In total, in the period from January to September 2017, the Dino network grew by 90 stores in relation to 78 in the corresponding period of last year.

⁴ stores are included in the calculation of LfL revenues starting from the 13th full month of their existence

One of the Company's strategic objectives is to exceed 1,200 stores by the end of 2020. As at 30 September 2017, the Dino network consisted of 718 stores, 129 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 September		Number of stores as at 31 December		
	2017	2016	2016	2015	2014
Own stores	608	476	522	406	317
Leased stores.....	97	101	94	94	83
Franchise stores	13	12	12	11	10
Total number of stores.....	718	589	628	511	410
Total sales area (square meters)	273,038	221,830	238,416	191,579	151,542

Cost of sales

Cost of sales constituted 76.8% and 77.0% of sales revenues in Q3 2017 and Q3 2016, respectively. Cost of sales increased by PLN 232.2 million, or 32.9%, to PLN 937.6 million in Q3 2017 compared to PLN 705.4 million in Q3 2016, with a 33.1% increase of sales revenues. This growth was caused mainly by the Dino Group's growing business size in connection with the expansion of the Dino Group network and rising sales in the existing store network (LFL).

Sales and marketing expenses

Sales and marketing expenses increased by PLN 45.8 million, or 33.3%, to PLN 183.1 million in Q3 2017 compared to PLN 137.4 million in Q3 2016. 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, thereby necessitating higher costs associated with store upkeep, storage of merchandise and marketing. The ratio of sales and marketing expenses to sales revenues in Q3 2017 was 15.0%, the same as in the corresponding period of 2016.

Overhead

General administration expenses rose PLN 1.9 million (net of the non-recurring IPO-related expenses of PLN 2,692 thousand posted in Q3 2016; in Q3 2017 the Company did not incur any non-recurring expenses), or 17.1%, to PLN 13.3 million in Q3 2017, compared to PLN 11.4 million in Q3 2016. This was caused mainly by the expansion of the Dino Group's network (some administrative functions expanded in line with the Dino Group network's rollout). The ratio of general administration expenses to sales revenues in Q3 2017 was 1.1%, whereas in the corresponding period of 2016 it was 1.2%.

Costs by nature

The following table presents costs by nature⁵.

(PLN 000s)	Q3 2017	Q3 2016	change	Q1-Q3 2017	Q1-Q3 2016	change
Depreciation and amortization	22,498	17,246	30.5%	62,092	46,656	33.1%
Consumption of materials and energy	121,624	90,480	34.4%	320,547	239,608	33.8%
External services	46,255	34,919	32.5%	122,171	97,957	24.7%
Taxes and fees	6,094	4,086	49.1%	18,005	12,938	39.2%
Provisions for employee benefits	122,894	88,599	38.7%	334,701	242,839	37.8%
Other costs by nature	5,789	5,106	13.4%	12,697	13,068	-2.8%
Cost of goods and materials sold	806,899	614,916	31.2%	2,158,399	1,647,229	31.0%
Total costs by nature, including:	1,132,053	855,352	32.3%	3,028,612	2,300,295	31.7%
Items captured in cost of sales	937,556	705,374	32.9%	2,497,615	1,893,201	31.9%
Items captured in sales and marketing expenses	183,121	137,364	33.3%	493,592	373,679	32.1%
Items captured in overhead costs	13,344	11,400	17.1%	35,392	30,159	17.4%
Movement in products	(1,968)	1,214	-	2,013	3,256	-38.2%

Total costs by nature (adjusted for the IPO-related non-recurring expenses incurred in Q3 2016) rose PLN 276.7 million, or 32.3%, to PLN 1,132.1 million in Q3 2017, compared to PLN 855.4 million in Q3 2016, mainly as a result of higher: (i) costs of merchandise and materials sold (up PLN 192.0 million), (ii) costs of employee benefits (up PLN 34.3 million), (iii) consumption of materials and energy (up PLN 31.1 million) and (iv) external services (up PLN 11.3 million). This growth was caused mainly by the expansion of the Dino Group's store network and rising sales in the existing network (LFL).

Cost of employee benefits adjusted for one-offs related to the public offering (amounting to PLN 2,690 thousand in Q3 2016) increased by PLN 34.3 million, or 38.7%, to PLN 122.9 million in Q3 2017, compared to PLN 88.6 million in Q3 2016. This growth resulted primarily from the higher number of Dino Group employees from 9,804 as at 30 September 2016 to 12,003 as at 30 September 2017 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 lesser extent, from the higher average salary in the Dino Group and the minimum wage hike at the beginning of 2017 (from PLN 1,850 to PLN 2,000).

Consumption of materials and energy increased by PLN 31.1 million, or 34.4%, to PLN 121.6 million in Q3 2017 compared to PLN 90.5 million in Q3 2016. This growth was caused mainly by higher consumption of materials and raw materials in connection with the Dino Group's expanding business size and the expansion of the Dino Group's store network and rising LFL sales in the existing network.

External services, which comprised in particular transportation services, lease and tenancy services, and maintenance services, increased by PLN 11.3 million, or 32.5%, to PLN 46.3 million in Q3 2017 compared to PLN 34.9 million in Q3 2016. 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 existing network.

Financial costs

Dino Group's financial costs rose PLN 1.3 million, or 16.7%, to PLN 9.4 million in Q3 2017 compared to PLN 8.0 million in Q3 2016. This growth was caused mainly by the higher amount of interest on trade liabilities as a

⁵ the data have been adjusted for IPO-related one-offs: PLN 2,692 thousand in Q3 2016 (PLN 2,690 thousand as costs of employee benefits, PLN 2 thousand as other costs by nature); PLN 3,797 thousand in Q1-3 2016 (PLN 267 thousand as external services, PLN 3,528 thousand as costs of employee benefits, PLN 2 thousand as other costs by nature); PLN 12,272 thousand in Q1-3 2017 (PLN 1,493 thousand as external services, PLN 10,334 thousand as costs of employee benefits, PLN 445 thousand as other costs by nature); in Q3 2017 the Company did not incur any costs associated with the IPO

result of the Group's growing business and the related expansion of the Dino Group's store network and rising LFL sales in the existing network.

Balance sheet – assets

The table below presents selected line items of the consolidated statement of financial position.

(PLN 000s)	30.09.2017	30.06.2017	31.12.2016	30.09.2016	Change 30 September 2017 / 30 June 2017	Change 30 September 2017 / 30 September 2016
Property, plant and equipment	1,593,249	1,496,962	1,337,207	1,260,513	6.4%	26.4%
Intangible assets	91,677	92,200	93,072	92,145	-0.6%	-0.5%
Deferred tax assets	22,275	23,158	26,867	34,353	-3.8%	-35.2%
Total non-current assets	1,707,233	1,612,320	1,457,146	1,387,011	5.9%	23.1%
Inventories	294,521	306,906	276,541	234,936	-4.0%	25.4%
Trade and other receivables	17,945	29,253	33,665	17,605	-38.7%	1.9%
Income tax receivables	44	30	613	27	46.7%	63.0%
Other non-financial assets	27,906	36,856	22,447	26,318	-24.3%	6.0%
Cash and cash equivalents	60,207	43,050	66,428	42,965	39.9%	40.1%
Total current assets	400,623	416,095	399,694	321,851	-3.7%	24.5%
TOTAL ASSETS	2,107,856	2,028,415	1,856,840	1,708,862	3.9%	23.3%

Total assets increased by PLN 79.4 million, i.e. 3.9%, from PLN 2,028.4 million as at 30 June 2017 to PLN 2,107.9 million as at 30 September 2017. Compared to 30 September 2016, total assets rose by PLN 399.0 million, or 23.3%.

As at 30 September 2017, the main total assets components were: (i) property, plant and equipment (constituting 75.6%), (ii) inventory (constituting 14.0%), (iii) intangible assets (constituting 4.3%) and (iv) cash and cash equivalents (constituting 2.9%).

Non-current assets rose by PLN 94.9 million, i.e. 5.9%, from PLN 1,612.3 million as at 30 June 2017 to PLN 1,707.2 million as at 30 September 2017. Compared to 30 September 2016, non-current assets rose by PLN 320.2 million, or 23.1%. In both cases this growth was caused 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 dropped by PLN 15.5 million, i.e. 3.7%, from PLN 416.1 million as at 30 June 2017 to PLN 400.6 million as at 30 September 2017. This decrease results from lower inventory (by PLN 12.4 million) and other non-financial assets, and decrease in trade receivables and other receivables (by PLN 11.3 million), which was partly offset by increasing cash and cash equivalents (by PLN 17.2 million).

Compared to 30 September 2016, current assets increased by PLN 78.8 million, i.e. 24.5% primarily as a result of higher: (i) inventory (up PLN 59.6 million) which was caused mainly by the Dino Group's expanding business size with the new store rollout and (ii) cash and cash equivalents (up PLN 17.2 million).

Balance sheet – liabilities and equity

The table below presents selected line items of the consolidated statement of financial position.

(PLN 000s)	30.09.2017	30.06.2017	31.12.2016	30.09.2016	Change 30 September 2017 / 30 June 2017	Change 30 September 2017 / 30 September 2016
Equity	831,660	768,118	683,476	645,506	8.3%	28.8%
Share capital	9,804	9,804	9,804	9,804	0.0%	0.0%
Supplementary capital	1,111,860	1,111,860	510,720	510,720	0.0%	117.7%
Retained earnings	(297,504)	(361,046)	162,952	124,982	-17.6%	-
Other equity	7,500	7,500	0	0	0.0%	-
Total equity	831,660	768,118	683,476	645,506	8.3%	28.8%
Interest-bearing loans and borrowings and finance lease liabilities	490,626	508,545	452,378	436,725	-3.5%	12.3%
Other liabilities	270	270	300	0	0.0%	-
Provisions for employee benefits	1,115	1,115	1,115	758	0.0%	47.1%
Deferred tax liability	3,432	6,280	5,498	3,856	-45.4%	-11.0%
Accruals and deferred revenue	70	75	87	59	-6.7%	18.6%
Total non-current liabilities	495,513	516,285	459,378	441,398	-4.0%	12.3%
Trade and other payables	601,337	585,043	574,426	369,961	2.8%	62.5%
Current part of interest-bearing loans and borrowings and finance lease liabilities	147,358	124,875	110,173	237,514	18.0%	-38.0%
Income tax liabilities	14,362	15,530	10,268	3,089	-7.5%	364.9%
Accruals and deferred revenue	70	75	87	59	-6.7%	18.6%
Provisions for employee benefits and other provisions	226	226	5,892	72	0.0%	213.9%
Total current liabilities	780,683	744,012	713,986	621,958	4.9%	25.5%
Total liabilities	1,276,196	1,260,297	1,173,364	1,063,356	1.3%	20.0%
TOTAL LIABILITIES AND EQUITY	2,107,856	2,028,415	1,856,840	1,708,862	3.9%	23.3%

As at 30 September 2017, the main components of liabilities were: (i) trade and other payables (current part) representing 47.1%; (ii) interest-bearing loans, borrowings and finance lease liabilities (non-current part) representing 38.4% of total liabilities and (iii) current part of interest-bearing loans and liabilities under financial lease agreements representing 11.5%.

Total liabilities rose by PLN 15.9 million, i.e. 1.3%, from PLN 1,260.3 million as at 30 June 2017 to PLN 1,276.2 million as at 30 September 2017. Total liabilities rose by PLN 212.8 million, i.e. 20.0%, from PLN 1,063.4 million as at 30 September 2016 to PLN 1,276.2 million as at 30 September 2017.

Non-current liabilities decreased by PLN 20.8 million, or 4.0%, from PLN 516.3 million as at 30 June 2017 to PLN 495.5 million as at 30 September 2017, predominantly as a result of lower interest-bearing loans and borrowings and finance lease liabilities (by PLN 17.9 million) in connection with their partial reclassification to current liabilities.

Compared to 30 September 2016, non-current liabilities rose PLN 54.1 million, or 12.3%, due to the expansion of the Dino Group's store network.

Non-current liabilities rose PLN 36.7 million, or 4.9%, from PLN 744.0 million as at 30 June 2017 to PLN 780.7 million predominantly as a result of the current part of interest-bearing loans and borrowings and finance lease liabilities (by PLN 22.5 million) and increase of trade and other payables (by PLN 16.3 million), caused by the expansion of the Dino Group's store network and increasing LFL sales in the existing network.

Compared to 30 September 2016, current liabilities increased by PLN 158.7 million, or 25.5%, driven predominantly by an increase in trade and other payables (by PLN 231.4 million mainly as a result of the expansion of the Dino Group's scale of business), which was partly counterbalanced by a decrease in current loans and borrowings (by PLN 90.2 million) as a result of the process of replacing short-term loans with long-term loans and improved trading terms.

Dino Group's net debt⁶ stood at PLN 577.8 million as at 30 September 2017, down by PLN 12.6 million compared to 30 June 2017 and down by PLN 53.5 million compared to 30 September 2016. The net debt to EBITDA ratio for the past 12 months was 1.6x as at 30 September 2017.

Cash flows

The table below presents selected line items of the statement of cash flows.

(PLN 000s)	Q3 2017	Q3 2016	change	Q1-Q3 2017	Q1-Q3 2016	change
Net cash from operating activities.....	136,765	69,821	95.9%	262,039	118,486	121.2%
Net cash from investing activities.....	(106,845)	(104,639)	2.1%	(277,942)	(264,197)	5.2%
Net cash from financing activities.....	(12,763)	53,288	-	9,682	154,756	-93.7%
Net increase in cash and cash equivalents.....	17,157	18,470	-7.1%	(6,221)	9,045	-

The Dino Group generated PLN 136.8 million in net cash from operating activities in Q3 2017. In Q3 2016 these cash flows stood at PLN 69.8 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.

In Q3 2017, Dino Group's cash flows from operating activities stood at PLN 136.8 million. This amount comprises profit before tax (PLN 77.0 million) and net cash totaling PLN 59.7 million. Cash inflows of PLN 76.4 million resulted mainly from: (i) depreciation and amortization (PLN 22.5 million), (ii) movement in receivables (PLN 18.4 million), (iii) movement in inventories (PLN 13.4 million), (iv) movement in liabilities, except for loans and borrowings PLN 12.1 million) and (v) interest expense (PLN 9.4 million). Cash inflows were partly offset by cash expenditures (totaling PLN 16.7 million) which in Q3 2017 comprised mainly: (i) income tax paid (PLN 16.6 million).

The negative level of cash on financing activity in Q3 2017 (PLN -12.8 million) compared to PLN 53.3 million in Q3 2016 results from lower loan inflows.

2.1.3. Capital expenditures

In Q3 2017 total capital expenditures⁷ stood at PLN 113.5 million. YTD capital expenditures in the first three quarters of 2017 totaled PLN 313.4 million and comprised mainly: (i) expenditures on expansion of Dino Group stores (purchase price of real estate and costs associated with purchase, including costs of the expansion department, cost of construction and fit-out of the stores and purchase of equipment and fittings) (PLN 272.0 million), (ii) expenditures on distribution centers (PLN 28.2 million), including expenditures associated with distribution centers in the form of purchase of refrigerated trailers and purchase of equipment (forklifts), and (iii) expenditures on expansion and modernization of the meat plant by Agro-Rydzyna (PLN 9.9 million), mainly purchase of meat processing machines.

As at 30 September 2017, liabilities for property, plant and equipment purchases were related mainly to the purchase of land and construction services related to the ongoing rollout of the Dino Group store network. The

⁶ defined as interest-bearing loans and borrowings and liabilities under financial lease agreements + current part of interest-bearing loans and borrowings and finance lease liabilities minus cash and cash equivalents.

⁷ defined as the sum of purchase of items of property, plant and equipment and intangible assets

total figure was PLN 69,540 thousand. At the end of Q3 2016, investment commitments totaled PLN 39,123 thousand.

2.1.4. 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 2017:

- pace of new store openings by the Dino Group and the related capital expenditures,
- favorable economic situation in Poland resulting in higher disposable income and consumer spending;
- growth in consumer price inflation, in particular food and soft drinks,
- recent changes in the regulatory environment: higher minimum wages and continuation of the governmental program Rodzina 500+ (*Family 500+*) translating into consumers having incremental disposable income,
- 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,
- falling unemployment and unstable and uncertain situation in the labor market in individual regions.

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.

2.2. 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 shares. At the end of March and beginning of April 2017, the IPO of Dino shares was held (in accordance with the prospectus approved by the Polish Financial Supervision Authority (KNF) on 17 March 2017), as a result of which the shareholder Polish Sigma Group S.à r.l. sold all the shares it held, representing 49% of the Company's share capital and 49% of the total number of votes at the Shareholder Meeting. The Company did not issue any new shares in the IPO.

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 ⁸	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 Supervisory Board.

At the Report Date, Szymon Piduch, President of the Management Board, held 141,000 shares. Compared to the publication date of the H1 2017 report, the number of shares held by Szymon Piduch increased by 96 (as a result of a transaction concluded on the Warsaw Stock Exchange on 26 September 2017). Michał Krauze, a Management Board Member, held 30,000 Company shares as at the Report Date. Compared to the publication date of the H1 2017 report, the number of shares held by Michał Krauze increased by 654 (as a result of a transaction concluded on the Warsaw Stock Exchange on 19 September 2017). No other changes occurred in the number of DINO Polska

⁸ BT Kapitał Sp. z o.o., a subsidiary of Tomasz Biernacki, following the purchase of 73 thousand Dino shares on 5 October 2017, holds a total of 103 thousand Company shares

shares held by members of the Company's Management Board since the delivery date of the H1 2017 periodic report, other than those mentioned above.

Among the Supervisory Board members, as at the Report Date Dino shares were held by: Tomasz Biernacki (Supervisory Board Chairman) as detailed in the table above and Eryk Bajer (Supervisory Board Member) – 5,822 shares acquired in the public offering. As a result of transactions concluded on the Warsaw Stock Exchange on 11 October 2017, as at the Report date, 1,600 Company shares are also held by Sławomir Jakszuk, Supervisory Board member.

On 20 March 2017, in connection with the public offering of shares, Mr. Tomasz Biernacki incurred an obligation not to sell his Dino Polska shares until the expiry of the 720-day period after the first listing of shares on the Warsaw Stock Exchange, which happened on 19 April 2017. Furthermore, the Company undertook to refrain from issuing and offering shares until the end of the period of 360 days from the date of the first listing of Dino Shares on the Warsaw Stock Exchange. In accordance with the provisions of the applicable incentive programs, those Members of the Company's Management Board who acquired Dino Shares in the performance of their obligation to acquire the Shares specified in these programs, are required to refrain from selling those Shares for a period of two years after their acquisition. The detailed provisions of the said obligations are described in the Company's prospectus, as approved by KNF on 17 March 2017.

2.3. Operating 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.

<i>(PLN 000s)</i>	Q1-Q3 2017	Q1-Q3 2016
Revenues on sales of products and services.....	405,526	299,486
Revenues on sales of goods and materials	2,833,043	2,150,628
Total:	3,238,569	2,450,114

3. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF THE DINO POLSKA S.A. GROUP

3.1. Condensed consolidated profit and loss account

for the period from 1 January 2017 to 30 September 2017 (PLN 000s)

	<i>01.01.2017- 30.09.2017</i>	<i>01.01.2016- 30.09.2016</i>	<i>01.07.2017- 30.09.2017</i>	<i>01.07.2016- 30.09.2016</i>
Continuing operations				
Sales revenues	3,238,569	2,450,114	1,220,171	916,645
Cost of sales	(2,497,615)	(1,893,201)	(937,556)	(705,374)
Gross profit on sales	740,954	556,913	282,615	211,271
Other operating income	1,837	2,057	625	661
Sales and marketing expenses	(493,592)	(373,679)	(183,121)	(137,364)
Overhead	(47,664)	(33,956)	(13,344)	(14,092)
Other operating expenses	(736)	(1,395)	(348)	(1,064)
Operating profit	200,799	149,940	86,427	59,412
Financial income	141	183	1	156
Financial costs	(27,232)	(23,154)	(9,379)	(8,034)
Profit before tax	173,708	126,969	77,049	51,534
Income tax	(33,024)	(13,729)	(13,507)	423
Net profit from continuing operations	140,684	113,240	63,542	51,957
Net profit for the financial year	140,684	113,240	63,542	51,957

3.2. Condensed consolidated statement of comprehensive income

for the period from 1 January 2017 to 30 September 2017 (PLN 000s)

	<i>01.01.2017- 30.09.2017</i>	<i>01.01.2016- 30.09.2016</i>	<i>01.07.2017- 30.09.2017</i>	<i>01.07.2016- 30.09.2016</i>
Net profit for the financial year	140,684	113,240	63,542	51,957
Actuarial gains/(losses) on defined benefit plans	-	38	-	-
Income tax on other comprehensive income	-	(7)	-	-
Other net comprehensive income not subject to reclassification to profit/(loss) in subsequent reporting periods	-	31	-	-
Other net comprehensive income	-	31	-	-
Comprehensive income in the reporting period	140,684	113,271	63,542	51,957

3.3. Condensed consolidated statement of financial position

as at 30 September 2017 (PLN 000s)

	30.09.2017	30.06.2017	31.12.2016	30.09.2016
ASSETS				
Property, plant and equipment	1,593,249	1,496,962	1,337,207	1,260,513
Intangible assets	91,677	92,200	93,072	92,145
Other non-financial assets (non-current)	32	-	-	-
Deferred tax assets	22,275	23,158	26,867	34,353
Total non-current assets	1,707,233	1,612,320	1,457,146	1,387,011
Inventories	294,521	306,906	276,541	234,936
Trade and other receivables	17,945	29,253	33,665	17,605
Income tax receivables	44	30	613	27
Other non-financial assets	27,906	36,856	22,447	26,318
Cash and cash equivalents	60,207	43,050	66,428	42,965
Total current assets	400,623	416,095	399,694	321,851
TOTAL ASSETS	2,107,856	2,028,415	1,856,840	1,708,862
LIABILITIES AND EQUITY				
Equity (attributable to the parent company shareholders)	831,660	768,118	683,476	645,506
Share capital	9,804	9,804	9,804	9,804
Supplementary capital	1,111,860	1,111,860	510,720	510,720
Retained earnings	(297,504)	(361,046)	162,952	124,982
Other equity	7,500	7,500	-	-
Non-controlling interests	-	-	-	-
Total equity	831,660	768,118	683,476	645,506
Interest-bearing loans and borrowings and finance lease liabilities	490,626	508,545	452,378	436,725
Other liabilities	270	270	300	-
Provisions for employee benefits	1,115	1,115	1,115	758
Deferred tax liability	3,432	6,280	5,498	3,856
Accruals and deferred revenue	70	75	87	59
Total non-current liabilities	495,513	516,285	459,378	441,398
Trade and other payables	601,337	585,043	574,426	369,961
Current part of interest-bearing loans and borrowings and finance lease liabilities	147,358	124,875	110,173	237,514
Income tax liabilities	14,362	15,530	10,268	3,089
Accruals and deferred revenue	17,400	18,338	13,227	11,322
Provisions for employee benefits	226	226	5,892	72
Total current liabilities	780,683	744,012	713,986	621,958
Total liabilities	1,276,196	1,260,297	1,173,364	1,063,356
TOTAL LIABILITIES AND EQUITY	2,107,856	2,028,415	1,856,840	1,708,862

3.4. Condensed consolidated statement of cash flows

for the period from 1 January 2017 to 30 September 2017 (PLN 000s)

	<i>01.01.2017- 30.09.2017</i>	<i>01.01.2016- 30.09.2016</i>	<i>01.07.2017- 30.09.2017</i>	<i>01.07.2016- 30.09.2016</i>
Cash flow from operating activities				
Profit before tax	173,708	126,969	77,049	51,534
Adjustments in items:	88,331	(8,483)	59,716	18,287
Depreciation and amortization	62,092	46,656	22,498	17,246
(Profit)/loss on investment activity	383	254	204	198
Movement in receivables	14,774	9,278	18,388	2,494
Movement in inventories	(17,980)	(22,789)	12,384	(13,663)
Movement in liabilities, except for loans and borrowings	26,950	(52,303)	13,072	9,604
Interest revenue	(68)	-	(30)	27
Interest expense	27,427	22,802	9,440	7,934
Movement in prepayments, accruals and deferred revenue	(1,247)	(1,708)	413	64
Movement in provisions	(5,667)	-	-	-
Income tax paid	(25,833)	(10,711)	(16,653)	(5,617)
Other	7,500	38	-	-
Net cash from operating activities	262,039	118,486	136,765	69,821
Cash flow from investing activities				
Sale of items of property, plant and equipment and intangible assets	7,579	(3,890)	6,443	(3,085)
Purchase of items of property, plant and equipment and intangible assets	(285,589)	(260,362)	(113,318)	(101,582)
Interest received	68	55	30	28
Net cash from investing activities	(277,942)	(264,197)	(106,845)	(104,639)
Cash flow from financing activities				
Payment of finance lease liabilities	(36,939)	(31,534)	(12,406)	(11,064)
Proceeds from obtained loans/borrowings	122,955	248,769	24,073	87,597
Repayment of loans/borrowings	(48,907)	(39,622)	(14,990)	(15,256)
Interest paid	(27,427)	(22,857)	(9,440)	(7,989)
Net cash from financing activities	9,682	154,756	(12,763)	53,288
Net increase in cash and cash equivalents	(6,221)	9,045	17,157	18,470
Cash at the beginning of the period	66,428	33,920	43,050	24,495
Cash at the end of the period	60,207	42,965	60,207	42,965

3.5. Condensed consolidated statement of changes in equity

for the period from 1 January 2017 to 30 September 2017 (PLN 000s)

	<i>Attributable to the parent company shareholders</i>				<i>Total</i>
	<i>Share capital</i>	<i>Supplementary capital</i>	<i>Retained earnings</i>	<i>Other equity</i>	
As at 1 January 2017	9,804	510,720	162,952	-	683,476
Net profit for 2017	-	-	140,684	-	140,684
Other net comprehensive income for 2017	-	-	-	-	-
<i>Comprehensive income for the year</i>	-	-	140,684	-	140,684
Costs of share-based incentive system	-	-	-	7,500	7,500
Distribution of the financial result for 2016	-	601,140	(601,140)	-	-
As at 30 September 2017	9,804	1,111,860	(297,504)	7,500	831,660
As at 1 January 2016	9,804	393,019	129,412	-	532,235
Net profit for 2016	-	-	151,210	-	151,210
Other net comprehensive income for 2016	-	-	31	-	31
<i>Comprehensive income for the year</i>	-	-	151,241	-	151,241
Distribution of the financial result for 2015	-	117,701	(117,701)	-	-
As at 31 December 2016	9,804	510,720	162,952	-	683,476
As at 1 January 2016	9,804	393,019	129,412	-	532,235
Net profit for 2016	-	-	113,240	-	113,240
Other net comprehensive income for 2016	-	-	31	-	31
<i>Comprehensive income for the year</i>	-	-	113,271	-	113,271
Distribution of the financial result for 2015	-	117,701	(117,701)	-	-
As at 30 September 2016	9,804	510,720	124,982	-	645,506

4. CONDENSED STANDALONE FINANCIAL STATEMENTS OF DINO POLSKA S.A.

4.1. Selected standalone financial data

	<i>PLN 000s</i>		<i>EUR 000s</i>	
	<i>from 1 January 2017 to 30 September 2017</i>	<i>from 1 January 2016 to 30 September 2016</i>	<i>from 1 January 2017 to 30 September 2017</i>	<i>from 1 January 2016 to 30 September 2016</i>
Sales revenues	3,228,387	2,436,822	758,443	557,778
Gross profit on sales	105,205	83,393	24,716	19,088
Profit before tax	76,216	285,012	17,905	65,238
Net profit	54,583	279,382	12,823	63,949
Number of shares	98,040,000	98,040,000	98,040,000	98,040,000
Basic / diluted earnings per share in PLN, EUR	0.56	2.85	0.13	0.65
Cash flow from operating activities	191,876	(150,244)	45,077	(34,390)
Cash flow from investing activities	(236,189)	64,997	(55,488)	14,878
Cash flow from financing activities	32,137	96,594	7,550	22,110
Net increase in cash and cash equivalents	(12,176)	11,347	(2,860)	2,597

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

average National Bank of Poland exchange rates for Q1-Q3 2017: 4.2566 PLN / EUR

average National Bank of Poland exchange rates for Q1-Q3 2016: 4.3688 PLN / EUR

	<i>PLN 000s</i>		<i>EUR 000s</i>	
	<i>as at 30 September 2017</i>	<i>as at 31 December 2016</i>	<i>as at 30 September 2017</i>	<i>as at 31 December 2016</i>
Total assets	1,931,579	1,722,477	448,256	389,348
Total non-current assets	1,455,770	1,237,533	337,836	279,732
Total current assets	475,809	484,944	110,420	109,617
Equity	620,237	558,154	143,937	126,165
Share capital	9,804	9,804	2,275	2,216
Non-current liabilities	408,781	377,622	94,865	85,358
Current liabilities	863,871	755,462	200,476	170,764

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

average NBP exchange rate as at 30 September 2017 4.3091 PLN / EUR

average NBP exchange rate as at 31 December 2016 4.4240 PLN / EUR

4.2. Condensed standalone profit and loss account

for the period from 1 January 2017 to 30 September 2017 (PLN 000s)

	01.01.2017- 30.09.2017	01.01.2016- 30.09.2016	01.07.2017- 30.09.2017	01.07.2016- 30.09.2016
A. Net revenues on sales and equivalents	3 228 387	2 436 822	1 217 234	909 313
I. Net revenues on sales of products	6,104	4,367	2,456	1,686
IV. Net revenues on sales of goods and materials	3,222,283	2,432,455	1,214,778	907,627
B. Operating expenses	(3,123,182)	(2,353,429)	(1,165,781)	(862,715)
I. Depreciation and amortization	(43,721)	(30,636)	(16,219)	(11,241)
II. Consumption of materials and energy	(46,796)	(35,871)	(17,025)	(12,987)
III. External services	(218,736)	(184,346)	(80,527)	(66,171)
IV. Taxes and fees	(11,796)	(7,881)	(4,173)	(2,489)
V. Salaries	(260,895)	(185,208)	(92,332)	(66,696)
VI. Social security and other benefits	(54,310)	(39,865)	(20,058)	(14,606)
VII. Other costs by nature	(12,541)	(10,193)	(5,688)	(4,112)
VIII. Cost of goods and materials sold	(2,474,387)	(1,859,429)	(929,759)	(684,413)
C. Sales profit (loss) (A – B)	105,205	83,393	51,453	46,598
D. Other operating income	1,183	1,347	458	137
E. Other operating expenses	(582)	(1,047)	(278)	(812)
F. Operating profit (loss) (C+D-E)	105,806	83,693	51,633	45,923
G. Financial income	1,398	231,212	465	229,964
H. Financial costs	(30,988)	(29,893)	(10,443)	(9,152)
I. Profit (loss) before tax (F + G + H)	76,216	285,012	41,655	266,735
J. Income tax	(21,633)	(5,630)	(10,102)	(1,824)
L. Net profit (loss) (I – J – K)	54,583	279,382	31,553	264,911

4.3. Condensed standalone balance sheet

as at 30 September 2017 (PLN 000s)

	30.09.2017	30.06.2017	31.12.2016	30.09.2016
A. Non-current assets	1,455,770	1,369,717	1,237,533	1,580,433
I. Intangible assets	9,167	9,645	10,439	9,447
II. Property, plant and equipment	683,515	602,128	456,604	387,115
III. Non-current receivables	-	-	-	-
IV. Non-current investments	739,692	729,692	727,151	1,133,980
V. Non-current prepayments and accruals	23,396	28,252	43,339	49,891
B. Current assets	475,809	487,401	484,944	1,059,914
I. Inventories	285,720	294,271	270,798	233,463
II. Current receivables	34,513	53,705	49,827	30,782
III. Current investments	109,148	93,600	121,914	750,638
IV. Current prepayments and accruals	46,428	45,825	42,405	45,031
C. Contributions due to share capital	-	-	-	-
D. Treasury stock	-	-	-	-
TOTAL ASSETS	1,931,579	1,857,118	1,722,477	2,640,347

	30.09.2017	30.06.2017	31.12.2016	30.09.2016
A. Equity	620,237	588,684	558,154	558,088
I. Share capital	9,804	9,804	9,804	9,804
II. Supplementary capital	548,350	548,350	268,902	268,902
III. Revaluation reserve	-	-	-	-
IV. Other reserve capital	-	-	-	-
V. Profit (loss) brought forward	-	-	-	-
VI. Net profit (loss)	54,583	23,030	279,448	279,382
VII. Other items of equity	7,500	7,500	-	-
B. Liabilities and provisions for liabilities	1,311,342	1,268,434	1,164,323	2,082,259
I. Provisions for liabilities	23,192	21,147	19,323	8,858
II. Non-current liabilities	408,781	423,126	377,622	372,294
III. Current liabilities	863,871	807,870	755,462	1,691,205
IV. Accruals and deferred revenue	15,498	16,291	11,916	9,902
TOTAL LIABILITIES AND EQUITY	1,931,579	1,857,118	1,722,477	2,640,347

4.4. Condensed standalone statement of cash flows

for the period from 1 January 2017 to 30 September 2017 (PLN 000s)

	01.01.2017- 30.09.2017	01.01.2016- 30.09.2016	01.07.2017- 30.09.2017	01.07.2016- 30.09.2016
A. Cash flow from operating activities				
I. Net profit (loss)	54,583	279,382	31,553	264,911
II. Total adjustments	137,293	(429,626)	93,381	(456,949)
1. Depreciation and amortization	43,721	30,636	16,219	11,241
2. Gains (losses) arising from changes in foreign currency exchange rates	-	-	-	-
3. Interest and profit sharing (dividends)	28,722	(202,418)	10,596	(221,137)
4. Profit (loss) on investing activity	274	42	152	83
5. Movement in provisions	3,867	37	2,045	(2,137)
6. Movement in inventories	(14,923)	(24,033)	8,550	(20,415)
7. Movement in receivables	15,672	1,073	19,362	(4,758)
8. Movement in current liabilities, except for loans and borrowings	32,957	(265,997)	32,997	(229,957)
9. Movement in prepayments, accruals and deferred revenue	19,503	31,034	3,460	10,131
10. Other adjustments	7,500	-	-	-
III. Net cash from operating activities (I±II)	191,876	(150,244)	124,934	(192,038)
B. Cash flow from investing activities				
I. Inflows	17,579	258,782	5,336	244,715
1. Sale of intangible assets and property, plant and equipment	6,467	2,478	4,364	983
2. Sale of investments in real property and intangible assets	-	-	-	-
3. From financial assets, of which:	11,112	256,304	972	243,732
a) in related entities	11,100	256,296	962	243,728
b) in other entities	12	8	10	4
- interest	12	8	10	4
II. Outflows	(253,768)	(193,785)	(106,134)	(63,849)
1. Purchase of intangible assets and property, plant and equipment	(232,082)	(143,746)	(92,124)	(70,732)
2. Investments in real property and intangible assets	-	-	-	-
3. Towards financial assets, of which:	(21,686)	(50,039)	(14,010)	6,883
a) in related entities	(21,686)	(50,039)	(14,010)	6,883
III. Net cash from investing activities (I-II)	(236,189)	64,997	(100,798)	180,866
C. Cash flow from financing activities				
I. Inflows	143,204	186,748	24,074	64,156
1. Net inflows on the delivery of shares (share issue) and other equity instruments and capital contributions	-	-	-	-
2. Loans and borrowings	105,204	186,748	24,074	64,156
3. Issue of debt securities	38,000	-	-	-
II. Outflows	(111,067)	(90,154)	(36,168)	(33,330)
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	(44,048)	(34,318)	(13,117)	(14,063)
5. Redemption of debt securities	(2,000)	-	(1,000)	-
6. On account of other financial liabilities	-	-	-	-
7. Payment of finance lease liabilities	(34,032)	(28,758)	(11,608)	(10,060)
8. Interest	(26,206)	(22,527)	(8,794)	(7,660)
9. Other financial expenditures	(4,781)	(4,551)	(1,649)	(1,547)
III. Net cash from financing activities (I-II)	32,137	96,594	(12,094)	30,826
D. Total net cash flow (A.III±B.III±C.III)	(12,176)	11,347	12,042	19,654
E. Balance sheet movement in cash, including	(12,176)	11,347	12,042	19,654
- movement in cash arising from changes in foreign currency exchange rates	-	-	-	-
F. Cash at the beginning of the period	54,232	25,857	30,014	17,550
G. Cash at the end of the period (F±D), including	42,056	37,204	42,056	37,204
- restricted cash	-	-	-	-

4.5. Condensed standalone statement of changes in equity

for the period from 1 January 2017 to 30 September 2017 (PLN 000s)

	30.09.2017	31.12.2016	30.09.2017
I. Equity at the beginning of the period (OB)	558,154	278,706	278,706
I.a. Equity at the beginning of the period (OB), adjusted	558,154	278,706	278,706
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	268,902	234,475	234,475
2.1. Changes to supplementary capital	279,448	34,427	34,427
(i) increase	279,448	34,427	34,427
- profit distribution	279,448	34,427	34,427
b) decrease	-	-	-
2.2. Balance of supplementary capital at the end of the period	548,350	268,902	268,902
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	279,448	34,427	34,427
5.1. Profit brought forward at the beginning of the period	279,448	34,427	34,427
5.2. Profit carried forward at the beginning of the period, adjusted	279,448	34,427	34,427
(i) increase	-	-	-
b) decrease	(279,448)	(34,427)	(34,427)
- distribution of profits brought forward	(279,448)	(34,427)	(34,427)
5.3. Profit brought forward at the end of the period	-	-	-
5.4. Loss brought forward at the beginning of the period	-	-	-
5.5. Loss brought forward at the beginning of the period, adjusted	-	-	-
5.6. Losses brought forward at the end of the period	-	-	-
5.7. Profit (loss) brought forward at the end of the period	-	-	-
6. Net result	54,583	279,448	279,382
a) net profit	54,583	279,448	279,382
b) net loss	-	-	-
c) charges to profit	-	-	-
7. Other items of equity	7,500	-	-
II. Equity at the end of the period (CB)	620,237	558,154	558,088
III. Equity after considering the proposed distribution of profits (coverage of losses)	620,237	558,154	558,088

5. NOTES TO THE FINANCIAL STATEMENTS

5.1. General rules adopted for the preparation of the interim quarterly statements

Consolidated statements

The presented interim (quarterly) condensed consolidated financial statements were prepared in accordance with:

- International Accounting Standard 34 Interim Financial Reporting and International Financial Reporting Standards (hereinafter “IFRS”) published in the Commission Regulation (EC) no. 1725/2003 of 29 September 2003, as amended,
- to the extent not regulated by the above standards – according to the requirements of the Accounting Act of 29 September 1994 (Journal of Laws of 2016, Item 1047 as amended) and executive regulations issued on its basis,
- pursuant to the requirements set forth in the Finance Minister’s Regulation of 19 February 2009 on the current and periodic information transmitted by securities issuers (Journal of Laws of 2009, No. 33 Item 259).

The accounting policies are the same as those used to prepare the consolidated financial statements for the year 2016.

These interim (quarterly) 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 Centrum Wynajmu Nieruchomości sp. z o.o. Marketing 2 SKA (in liquidation) and Viterna Holdings Ltd., which are currently being liquidated.

The interim (condensed) consolidated financial statements for the period from 1 January 2017 to 30 September 2017 were prepared in Polish zloty, rounded to the thousand of zloty (unless otherwise stated).

Financial statements

The presented interim (quarterly) condensed standalone financial statements were prepared in accordance with:

- provisions of the Accounting Act of 29 September 1994 (Journal of Laws of 2016, Item 1047 as amended) and executive regulations issued on its basis,
- pursuant to the requirements set forth in the Finance Minister’s Regulation of 19 February 2009 on the current and periodic information transmitted by securities issuers (Journal of Laws of 2009, No. 33 Item 259).

The accounting policies are the same as those used to prepare the standalone financial statements for the year 2016.

These interim (quarterly) standalone financial statements have been prepared with the assumption that the Company will continue its business as a going concern in the foreseeable future.

The interim (condensed) standalone financial statements for the period from 1 January 2017 to 30 September 2017 were prepared in Polish zloty, rounded to the thousand of zloty (unless otherwise stated).

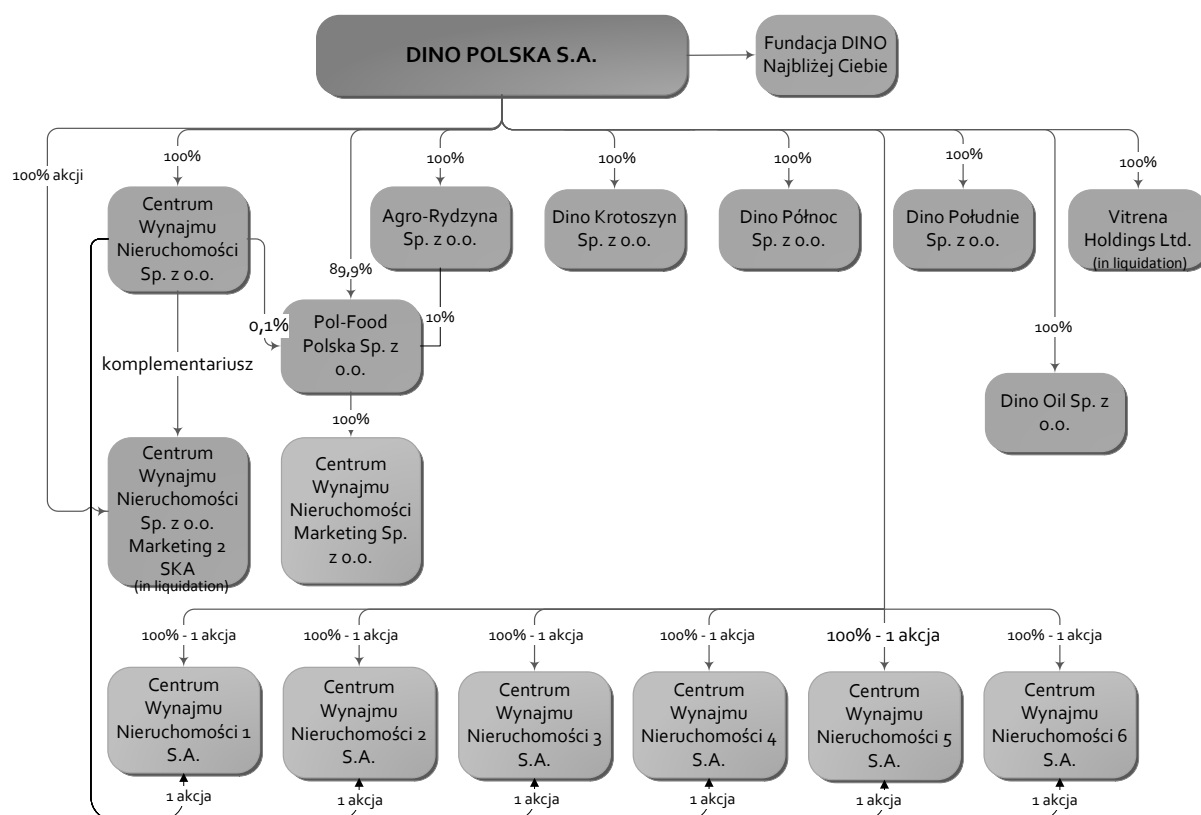
5.2. Group Overview

The Company is the parent entity of the Dino Group. The Company conducts the operating activity including the management of Dino store network. The Company manages, among others, the logistics of supply of products to the stores, sales, selection of the product offering in the stores and supports other Group Companies in the execution of investment processes related to the selection and purchase of land on which new stores will be built and also manages the new store construction process itself. 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 other Group Companies that own the properties.

There is a large number of companies in the Dino Group operating in the property lease business. The functioning of companies purchasing and leasing properties in the Dino Group is a result of the accepted business model. The Dino Group has made a strategic decision to purchase the properties on which its stores are located, among others to ensure rapid organic growth of its store network, uniform store format in all locations, build the Dino brand image among customer and increase cost effectiveness.

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



Description of changes in the organization of the issuer's group

On 19 May 2016, the Extraordinary Shareholder Meeting of Centrum Wynajmu Nieruchomości Marketing sp. z o.o. (a Dino Group company) adopted a resolution to retire the company's shares and reduce its share capital from PLN 169,200.00 to PLN 5,000.00. This change was registered by the National Court Register on 17 February 2017.

On 26 June 2017, the Regional Court in Warsaw handed down a decision to deregister Sezam XI Fundusz Inwestycyjny Zamknięty Aktywów Niepublicznych w likwidacji.

On 15 September 2017, the Extraordinary Shareholder Meeting of Dino Południe sp. z o.o. (a Dino Group company) adopted a resolution to increase the company's share capital from PLN 5,000.00 to PLN 100,000.00 by creating 950 shares, which were fully subscribed by Dino Polska S.A.

5.3. Seasonality and business cycles

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 winter, 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 weather conditions hindering construction works.

5.4. Other information

Non-recurring amounts and events

In the period from 1 January 2017 to 30 September 2017, the results of the Dino Group were affected by the costs of the Company's public share offering carried out at the end of March and in the beginning of April 2017. Those costs totaled PLN 12,272 thousand (PLN 2,961 thousand in Q1 and PLN 9,311 thousand in Q2; there were no such costs in Q3); of that figure, PLN 7.5 million constituted non-cash expenses that did not cause an outflow of working capital from the Group; they were reflected in the balance sheet by increasing the equity in connection with the incentive program funded for the Company's Management Board in the IPO by the selling shareholder.

Additionally, the company incurred the following IPO-related costs in 2016: PLN 1,105 thousand in Q2 2016, PLN 2,692 thousand in Q3 2016 and PLN 3,703 thousand in Q4 2016.

Impairment losses

In the period covered by this report, the Group did not recognize any impairment losses for inventories.

Consolidated financial data for the period from 1 January 2017 to 30 September 2017

(PLN 000s)	30.09.2017	change	31.12.2016
Impairment losses on receivables	544	(2)	546

Unconsolidated financial data for the period from 1 January 2017 to 30 September 2017

(PLN 000s)	30.09.2017	change	31.12.2016
Impairment losses on receivables	509	-	509

Information on the recognition, increase, use and reversal of provisions

Consolidated financial data for the period from 1 January 2017 to 30 September 2017

(PLN 000s)	30.09.2017	change	31.12.2016
Deferred tax liability	3,432	(2,066)	5,498
Provision for pension and similar benefits	1,341	-	1,341
Benefits under the incentive program	-	(5,666)	5,666
	4,773	(7,732)	12,505

Unconsolidated financial data
for the period from 1 January 2017 to 30 September 2017

(PLN 000s)	30.09.2017	Change	31.12.2016
Deferred tax liability	21,961	9,535	12,426
Provision for pension and similar benefits	1,231	-	1,231
Benefits under the incentive program	-	(5,666)	5,666
	23,192	3,869	19,323

Information on deferred tax liabilities and assets

Consolidated financial data
for the period from 1 January 2017 to 30 September 2017

(PLN 000s)	30.09.2017	change	31.12.2016
Deferred tax liability	3,432	(2,066)	5,498
Deferred tax asset	22,275	(4,592)	26,867
	25,707	(6,658)	32,365

Unconsolidated financial data
for the period from 1 January 2017 to 30 September 2017

(PLN 000s)	30.09.2017	change	31.12.2016
Deferred tax liability	21,961	9,535	12,426
Deferred tax asset	23,396	11,291	12,105
	45,357	20,826	24,531

Material purchase and sale transactions of property, plant and equipment

In the presented period, material transactions to purchase property, plant and equipment included purchases related to the purchase of land and construction of new stores and expansion of warehouse space in Krotoszyn as well as the purchases related to store fit-outs. In the period from 1 January to 30 September 2017, the Group incurred capital expenditures of PLN 313.4 million, including fixed assets under construction (it was about PLN 279 million in 2016). In the period from 1 July to 30 September 2017, the Group incurred capital expenditures of PLN 113.5 million.

Material obligations on account of property, plant and equipment purchases

As at the date of the financial statements, liabilities for property, plant and equipment purchases were related mainly to the purchase of land and construction services related to the ongoing rollout of the Dino Polska Group's store network. The total figure was PLN 69,540 thousand. At the end of Q3 2016, investment commitments totaled PLN 39,123 thousand.

Material litigation-related settlements and proceedings pending before courts or other bodies appropriate for relevant proceedings

During the period covered by this report, there were no material litigation-related settlements. No proceedings pertaining to the accounts receivable or accounts payable of Dino Polska S.A. and its subsidiaries totaling more than 10% of equity were pending.

Correction of errors of previous periods

In the period covered by these statements, there were no corrections of errors of previous periods.

Changes in the economic situation and business conditions with material effect on the fair value of financial assets and financial liabilities

The changes in the economic situation and business conditions had no material effect on the fair value of the Group's financial assets and financial liabilities.

Information on default on a loan or borrowing or breach of material provisions of loan or borrowing agreements

No occurrences covered by this item occurred in the reporting period.

Information on related party transactions

During the reporting period, both the Parent Company and its subsidiaries entered into transactions on the arm's length basis. Related party transactions were routine in nature and concluded at prices no different from the prices used in transactions between unrelated parties. Intra-Group transactions were eliminated in the consolidation process.

Information on changes in the fair value measurement methodology for financial instruments measured at fair value and changes in the classification of financial instruments

In this reporting period, no changes were made to the fair value measurement methodology and no changes were made to the classification of financial assets resulting from the change of purpose or use of such assets.

Information on the issue, redemption and repayment of non-equity and equity securities

No occurrences covered by this item occurred in the reporting period.

Information on dividend paid (or declared), in total and per share, for common and preference shares

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

Events taking place after the date of the quarterly condensed financial statements, which were not included in the statements but may materially affect the issuer's future financial results

By the date of these financial statements, no events occurred that may materially affect the Group's future financial results.

Information on changes in contingent liabilities or contingent assets that have taken place since the end of the previous financial year

No change in contingent assets was recorded in the reporting period. At the end of the reporting period, the Group had contingent liabilities arising from the concluded preliminary land purchase agreements in the amount of PLN 149,690 thousand.

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

No events occurred in the reporting period that could materially affect the assessment of the Group's assets, financial position and financial result.

6. OTHER INFORMATION

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 2017.

Sureties, credit facilities, loans or guarantees extended by the issuer or any subsidiary if the total value of existing guarantees or sureties exceeds the equivalent of at least 10% of the Company's equity

No events covered by this item occurred in the reporting period.

Other information

On 9 October 2017, the Company's Management Board adopted a resolution to issue, under the Company's Bond Issue Program of 21 September 2017, which the Company reported in current report no. 19/2017, 100,000 secured bearer bonds, series 1/2017 with the par value of PLN 1,000 each and the total par value of PLN 100,000,000 ("Bonds").

The bonds were issued on 13 October 2017 and recorded in the records kept by mBank S.A. The Bonds were registered in the securities depository run by Krajowy Depozyt Papierów Wartościowych S.A. and introduced to be traded in the alternative trading system run by Warsaw Stock Exchange S.A. or BondSpot S.A. The redemption date of the Bonds was set for 13 October 2020.

The Bonds are secured by sureties of selected Dino Polska S.A. Group companies. The issue price of the Bonds was equal to their par value. The Bonds were offered for purchase pursuant to Article 33 Item 2 of the Bond Act of 15 January 2015 (Journal of Laws of 2015, Item 238, as amended) and carried interest at a floating interest rate – WIBOR 3M plus a fixed margin of 1.30 percentage points per annum.

SIGNATURES OF THE MANAGEMENT BOARD MEMBERS

Szymon Piduch – President of the Management Board

Michał Krauze – Management Board Member

Krotoszyn, 14 November 2017 r.