

***DINO POLSKA S.A.***

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021  
ALONG WITH THE INDEPENDENT STATUTORY AUDITOR'S AUDIT REPORT

Krotoszyn, 10 March 2022

*This document is an unofficial translation of the official Financial Statements of Dino Polska S.A. in 2021, which have been published in the xHTML format and signed by the Management Board Members of Dino Polska S.A. using qualified electronic signatures.*

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Financial statements for the year ended 31 December 2021  
(in thousands of PLN)

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## **INTRODUCTION TO THE FINANCIAL STATEMENTS**

### **1. GENERAL INFORMATION**

Dino Polska S.A. (“Company”) was established by notary deed on 9 November 2007.

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 registered office is located at the following address: ul. Ostrowska 122, 63-700 Krotoszyn.

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.

These financial statements have been prepared for the year ended 31 December 2021.

### **2. GOING CONCERN ASSUMPTION**

The Company’s 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 31 December 2021. As at 31 December 2021, 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 new investments. Covenants related to loan agreements are monitored on an ongoing basis. As at the balance sheet date of 31 December 2021, there was no default on the terms and conditions of credit 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 31 December 2021. Issues related to liquidity are presented in Note 47.

The Company’s Management Board monitors the epidemiological situation and its impact on its business on an ongoing basis. The Company continues to maintain the rigorous sanitary regime rolled out in 2020 in all of its areas of activity and smoothly adapts it to the evolving sanitary requirements, preventive measures and restrictions imposed on store networks by the government. As a result, the Company is able to maintain business continuity and its operational efficiency in full in all of the areas of its activity. Despite the COVID-19 pandemic, as at the date of these financial statements, all areas of the Company’s operating activity are performing efficiently and there are no significant reasons for revising the performance targets or plans set by the Management Board for 2022, nor has the existence of any circumstances indicating a threat to the Company continuing its operations been ascertained.

### **3. MERGER OF COMMERCIAL COMPANIES**

In the financial year for which the financial statements were drawn up, the Company did not merge with a subsidiary, nor did it purchase any organized part of any enterprise.

### **4. ADOPTED ACCOUNTING PRINCIPLES (POLICIES)**

#### **4.1. Format and grounds for drawing up the financial statements**

The financial statements were drawn up pursuant to the provisions of the Accounting Act of 29 September 1994 (hereinafter “Accounting Act”).

The financial statements have been prepared under the historical cost convention.

The Company has drawn up its profit and loss account by using the comparative format. The statement of cash flows has been drawn up using the indirect method.

**4.2. The differences in the value of the disclosed data and the material differences pertaining to the accepted accounting standards (policies) between the financial statements drawn up in accordance with Polish Accounting Standards and the financial statements drawn up according to IFRS**

The Company is the Group's parent company, which has an obligation to prepare consolidated financial statements according to the IFRS standards endorsed by the EU. The Group in which the Company is the parent company prepared its first annual consolidated financial statements compliant with IFRS endorsed by the EU for the financial year ended 31 December 2013. The Group selected 1 January 2013 as the date of transition to IFRS.

The Company's date of transition to IFRS cannot be determined definitively because the Company has not made a decision on that date, nor has it prepared its first financial statements compliant with IFRS endorsed by the EU. Had the financial statements been prepared in accordance with IFRS, the main differences between the accounting standards accepted for the attached financial statements and IFRS, under the assumption that the date of transition to IFRS is 1 January 2013, would pertain in particular to the following areas:

- Determination of the residual value of fixed assets,
- Separation of components and determination of depreciation charges for the actual periods of use,
- Retraction of the calculated depreciation charges for trademarks as of the date of the Group's transition to IFRS,
- Recognition of fixed assets and lease liabilities under IFRS 16.

The table below depicts the differences as at 31 December 2021:

Adjustments	Carrying amount according to PAS	Carrying amount according to IFRS	Value adjustment
Property, plant and equipment	3,637,916	3,536,407	(101,509)
Right-of-use assets	-	359,399	359,399
Intangible assets	21,486	31,133	9,647
Deferred tax assets	64,801	4,886	(59,915)
<b>Total non-current assets</b>	<b>4,480,034</b>	<b>4,687,656</b>	<b>207,622</b>
<b>Total assets</b>	<b>6,564,444</b>	<b>6,772,066</b>	<b>207,622</b>
<b>Equity</b>	<b>2,307,424</b>	<b>2,303,593</b>	<b>(3,831)</b>
Lease liabilities	8,270	191,519	183,249
Deferred tax liability	61,372	-	(61,372)
<b>Total non-current liabilities</b>	<b>989,469</b>	<b>1,111,346</b>	<b>121,877</b>
Trade and other payables	2,865,834	2,788,086	(77,748)
Lease liabilities	13,410	102,987	89,577
Income tax liabilities	-	77,749	77,749
<b>Total current liabilities</b>	<b>3,267,551</b>	<b>3,357,127</b>	<b>89,576</b>
<b>Total liabilities and equity</b>	<b>6,564,444</b>	<b>6,772,066</b>	<b>207,622</b>

Table depicting the effects of the disclosed differences in net profit and equity:

<b>Equity according to PAS</b>	<b>2,307,424</b>
Adjusted depreciation and amortization on account of residual value	1,413
Adjusted depreciation and amortization on account of the separation of components	(3,987)
Adjustment - amortization of trademarks	7,814
Adjustment - lease of fixed assets (IFRS 16)	(9,071)
<b>Equity according to IFRS</b>	<b>2,303,593</b>
<b>Net profit according to PAS</b>	<b>591,217</b>
Adjusted depreciation and amortization on account of residual value	(83)
Adjusted depreciation and amortization on account of the separation of components	(2,185)
Adjustment - amortization of trademarks	781
Adjustment - lease of fixed assets (IFRS 16)	(909)
Actuarial gains/losses pertaining to employee benefits	1,676
<b>Net profit according to IFRS</b>	<b>590,497</b>
<b>Other comprehensive income</b>	<b>(1,676)</b>

The presentation of some lines items of the financial statements may differ between Polish Accounting Standards and IFRS. The differences in presentation do not affect the Company's equity and net result. The components of the various line items of the financial statements and the scope of additional information to the financial statements according to the Polish Accounting Standards and IFRS may differ to a material degree.

The identification and measurement of these differences require the preparation of estimates and assumptions that do affect the disclosed figures. Even though the accepted assumptions and estimates are based on the Company's best knowledge, the actual figures may vary from the anticipated figures. This note identifying the major areas of difference between Polish Accounting Standards and IFRS has been drawn up on the basis of IFRS in force as at 31 December 2021 and under the assumption that the date for transition to IFRS is 1 January 2013. Since work is still in progress on more standards and amending the current standards, it is possible that the standards according to which the Company will prepare its first financial statements complying with IFRS will differ from the standards applicable to the preparation of this note. The assumption concerning the date as of which the values of assets and liabilities would be determined in the Company's financial statements complying with IFRS stems from the option for the Management Board to utilize the exemption contemplated by paragraph 24 of IFRS 1, according to which the Company may accept the values carried in the parent company's consolidated financial statements compliant with IFRS on the basis of the parent company's date of transition to IFRS, i.e. 1 January 2013; however, the Company's Management Board may in any event alter that decision and it may accept its own date for the transition to applying IFRS.

Moreover, according to IFRS, only complete financial statements containing a balance sheet, a statement of comprehensive income and/or a statement of profit or loss, a statement of changes in equity, a statement of cash flows with comparable data and notes may accurately present financial standing, business results and cash flow according to IFRS.

#### **4.3. Intangible assets**

Intangible assets are recognized if it is likely that they will precipitate receipt of economic benefits by the Company which may be directly linked to these assets. Intangible assets are initially captured at purchase price or production cost. After the initial capture, intangible assets are carried at purchase price or production cost minus accumulated depreciation and impairment charges. Intangible assets are depreciated by straight-line depreciation over the period corresponding to the estimated period of their useful life.

The anticipated period of useful life is as follows:

Patents, licenses and trademarks	2 - 20 years
Software	2 - 7 years

The estimates of the period of useful life and the depreciation method are reviewed at the end of every financial year to verify whether the applied methods and the depreciation period are consistent with the expected distribution of economic benefits generated by these intangible assets.

As at the balance sheet date, the Company evaluates whether the carrying value of presented assets does not exceed the value of future expected economic benefits. If there are grounds indicating such a fact, the carrying amount of the assets is reduced to the net sale price level. Impairment losses are posted in other operating expenses.

#### **4.4. Fixed assets**

Fixed assets are carried at purchase price or production cost minus accumulated depreciation or impairment charges. In the case of perpetual usufruct right to land, the purchase price is construed as the price of purchase of the right from a third party or surplus of the first fee over the annual fee if the right was acquired for a fee from the municipality. Land is carried at purchase price minus any impairment charges.

As at 31 December 2021 the Company had no fixed assets subject to revaluation.

The costs incurred after commencing the usage of a fixed asset, such as the costs of repair, inspections and user fees, affect the financial result of the financial year in which they were incurred. However, if it is possible to prove that these costs increased the expected future economic benefits on account of holding the fixed asset, surpassing the benefits assumed originally, then they increase the initial value of the fixed asset.

Fixed assets, with the exception of land, are depreciated by using the straight-line method corresponding to the expected period of their useful life or over the shorter of the two periods: useful life or perpetual usufruct right, which is as follow:

Perpetual usufruct right to land	Not depreciated
Buildings, premises, rights to premises and civil and marine engineering facilities	10 - 40 years
Technical equipment and machinery	3 - 12 years
Means of transport	5 - 7 years
Other fixed assets	3 - 12 years

The estimates of the period of useful life and the depreciation method are reviewed at the end of every financial year to verify whether the applied methods and the depreciation period are consistent with the expected distribution of economic benefits generated by that fixed asset over time.

As at the balance sheet date, the Company evaluates whether the carrying value of presented assets does not exceed the value of future expected economic benefits. If there are grounds indicating such a fact, the carrying amount of the assets is reduced to the net sale price level. Impairment losses are posted in other operating expenses.

#### **4.5. Fixed assets under construction**

Fixed assets under construction are carried at the total amount of costs directly related to their purchase or manufacture, including financial expenses, minus impairment charges. Investment materials are also shown in fixed assets under construction. Fixed assets under construction are not depreciated until their construction is completed and they are commissioned.

#### **4.6. Related entities**

The Company construes related entities as two or more companies from a group where a group is understood as a parent company together with its subsidiaries.

#### **4.7. Investments in subordinated entities, capital exposure and other non-current investments**

Investments in subordinated entities comprise investments in subsidiaries, co-subsidiaries and affiliates. The Company construes subsidiaries as entities controlled by the Company, co-subsidiaries as entities under joint control by the shareholders under a shareholder agreement, and affiliates as entities in which it has capital exposure and on which it has significant influence. At the same time exposure to capital of another entity is understood by the Company as any share in the equity of such other entity that has the nature of a permanent relation. In the case of an affiliate, a permanent relation is present always unless disposal of the share soon after the date of its acquisition, purchase or obtaining in another form is highly probable.

Investments in subsidiaries, co-subsidiaries and affiliates are carried at historical cost minus any impairment.

Other non-current investments (excluding financial assets as described in note 4.8) are carried at historical cost minus any impairment.

Impairment of shares in subordinated entities and other non-current investments is estimated as at every balance sheet date. The carrying amount of such assets is each time reviewed to determine whether or not it exceeds the value of future economic benefits.

#### **4.8. Other current investments (excluding cash and financial assets)**

Other current investments, except for cash and financial instruments, are marked to the lower of the market price (value), while current investments for which there is no active market, are carried at fair value.

The effects of reducing the value of current investments measured at market prices (values) are posted as a financial expense in their full amount; while the effects of their growth are posted to financial income up to an amount no higher than the total difference previously written off as financial expenses.

#### **4.9. Financial assets**

Financial assets, at the time they are entered in the accounting ledgers, are carried at cost (purchase price) constituting the fair value of the amount paid. Transaction costs are included in the initial value of the financial instruments. Financial assets are posted in the accounting ledgers as at the transaction date.

After the initial recognition, financial assets are classified in one of the four categories and measured as follows:

<i>Category</i>	<i>Valuation method</i>
1. Financial assets held to maturity	At the adjusted purchase price (amortized cost) calculated using the effective interest rate
2. Granted loans and own receivables	At the adjusted purchase price (amortized cost) calculated using the effective interest rate. Receivables with a short-term maturity, for which no interest rate was defined, are carried at the required payment amount
3. Financial assets held for trading	At fair value and gains/losses on their revaluation are posted to the profit and loss account
4. Financial assets available for sale	At fair value, while gains/losses on their revaluation are recognized in the profit and loss account until the investment is sold or its value is impaired. At that moment, the overall revaluation gain/loss is recorded in the profit and loss account

The fair value of financial instruments traded on an active market is calculated in reference to the prices quoted on that market as at the balance sheet date. If no market price is quoted, then the fair value is estimated on the basis of a quoted market price of a similar instrument or according to the expected cash flows.

#### **Impairment of financial assets**

As at every balance sheet date, the Company evaluates whether there is objective evidence indicating impairment of a financial asset or a group of financial assets. If such evidence exists, the Company determines the asset value that may be estimated to be recoverable and posts an impairment loss in the amount of the difference between the recoverable amount and the carrying amount.

Impairment losses concerning a single financial asset or a portfolio of similar financial assets are determined:

- 1) for financial assets carried at adjusted purchase price – as the difference between the value of such assets resulting from the accounting ledgers as at the valuation date and the recoverable amount. The recoverable amount is the present value of future cash flows expected by the entity, discounted by the effective interest rate applied hitherto by the entity in its valuation of the financial asset being revalued or the portfolio of similar financial assets being revalued,
- 2) for financial assets carried at fair value – as the difference between the purchase price of the relevant asset and its fair value determined as at the valuation date, where the fair value of debt financial instruments as at the valuation date is construed as the present value of future cash flows expected by the entity, discounted by the current market interest rate applied to similar financial instruments. Accumulated loss captured hitherto in revaluation capital is posted to financial expenses in an amount of no less than the charge minus the part directly posted to financial expenses,
- 3) for other financial assets – as the difference between the value of the relevant asset resulting from the accounting ledgers and the present value of future cash flows expected by the entity, discounted by the current market interest rate applied to similar financial instruments.

#### **4.10. Leases**

The Company is a party to leasing agreements pursuant to which it accepts third party fixed assets or intangibles to use them or draw benefits from them against a charge for an agreed period of time.

In the case of lease agreements which transfer generally the entire risk and all benefits resulting from holding the assets subject to the agreement, the leased item is presented as a fixed asset in the balance sheet and at the same time a liability is posted in the amount equal to the present value of minimum lease payments set on the lease commencement date. Leasing fees are allocated to financial expenses and to the reduction of principal debt balance in a manner enabling the achievement of a fixed interest rate on the outstanding liability. Financial expenses are captured directly in the profit and loss account.

Fixed assets subject to a financial lease agreement are depreciated according to the method applied to own fixed assets. However, if there is no control over the moment of transfer of the ownership title to the leased item or certainty whether such transfer has been effected, then fixed assets used under financial lease agreements are depreciated over the shorter of the two following periods: the expected utilization period or the leasing period.

Lease payments for agreements that do not satisfy the conditions of being financial leases are recognized as operating expenses in the statement of profit or loss using the straight-line depreciation method during the term of



lease. Depending on the goal of using a leased object, lease payments are treated as operating expenses (including: overhead or sales) or other operating expenses.

#### **4.11. Inventories**

Inventories are measured at purchase price, no higher than their net realizable price.

The purchase price or the production cost of an inventory component takes into account the costs of purchase, the costs of conversion and other equipment costs incurred in bringing the inventories to make their present location and condition - both in terms of the current and the previous year - and are determined as follows:

Materials	at purchase price using the “first in, first out” method
Merchandise	at purchase price using the “first in, first out” method

The net realizable price is the estimated sales price that can be achieved in the course of the entity’s normal business, minus discounts, rebates and other similar reductions and the costs of finishing and the estimated costs required to finalize the sale. The costs of transport from the warehouse to the stores are an element of valuation of the inventories and cost of sales at the time of their sale. Moreover, in order to state in real terms the balance of inventories at the end of the reporting period, the Company sets up a provision for expected, though unidentified inventory losses based on the historical statistics for inventory differences identified in commercial facilities.

#### **4.12. Short and long-term receivables**

Trade receivables are shown as the amount of the required payment minus the impairment losses.

Receivables are revalued taking into account the probability of their payment, by posting an impairment loss. Impairment losses against receivables are carried to other operating expenses or financial expenses, respectively, depending on the type of receivables to which the impairment loss applies.

Receivables that have been forgiven, expired or are uncollectible reduce the impairment loss posted previously.

Receivables that have been forgiven, expired or are uncollectible, for which impairment losses were not posted or where they were posted at a less than full amount, are included in other operating expenses or financial expenses, respectively.

#### **4.13. Transactions denominated in a foreign currency**

Transactions denominated in currencies other than the Polish zloty are converted into Polish zloty at the exchange rate applied on the date of the transaction or, if it is impossible to apply such an exchange rate, at the average exchange rate announced for the relevant currency by the National Bank of Poland on the date preceding the date of the transaction.

As at the balance sheet date, the assets and liabilities denominated in currencies other than the Polish zloty are converted into Polish zloty using the average exchange rate in force on that date for the relevant currency as announced by the National Bank of Poland. The foreign exchange gains and losses resulting from such conversion are captured respectively as financial income or financial expense line items or, in the cases defined by the law, are capitalized in the value of assets.

The following exchange rates have been adopted for the purposes of the valuation:

	<i>31 December 2021</i>	<i>31 December 2020</i>
EUR	4.5994	4.6148
USD	4.0600	3.7584

#### **4.14. Cash and cash equivalents**

Cash at bank and in hand is valued at par value.

Cash and short-term deposits disclosed in the balance sheet include cash at bank and cash in hand, as well as short-term deposits with an original maturity of up to three months. The balance of cash and cash equivalents presented in the statement of cash flows consists of the aforementioned cash and cash equivalents.

#### **4.15. Deferred revenue**

The Company records accruals and prepayments of costs if they apply to future reporting periods. Accruals and pre-paid expenses are made at the amount of the probable liabilities for the current reporting period.

#### **4.16. Share capital**

Share capital is captured in the amount stated in the Company's articles of association and entered in the court register. If shares are subscribed for at a price exceeding their par value, the share premium is captured in supplementary capital. The costs incurred for the issue of new shares decrease supplementary capital from the issue of shares above par value to the amount of such capital. Other costs are classified as financial expenses.

Any advances toward the dividend disbursed during the year are presented in the accounting ledgers and in the balance sheet as profit distributions made during the financial year.

#### **4.17. Provisions**

Provisions are recognized when the Company has an obligation (legal or constructive) resulting from past events and when it is certain or highly probable that the discharge of this obligation will cause an outflow of funds embodying economic benefits, and when the amount of the obligation may be reliably estimated.

#### **4.18. Bank loans, other loans and financial liabilities held for trading**

At the time of initial recognition, bank loans and other loans are carried at cost, corresponding to the value of received cash, taking into account the costs associated with obtaining the loan (transaction costs). Next, all bank loans and other loans, except for liabilities held for trading, are carried at adjusted purchase price (amortized cost) calculated using the effective interest rate.

Financial liabilities held for trading, including derivative instruments, are carried at fair value. Gains or losses on revaluation to fair value are posted to the profit and loss account for the current period.

#### **4.19. Trade payables**

The amount of trade payables is determined by discounting projected future cash flows to their present value using pre-tax discount rates reflecting current market estimates of the time value of money and risks, if any, specific to a given obligation. If a discounting-based method was used, an increase of a liability associated with passage of time is recognized as financial expenses. The Company assumes the discount rate at the level of the average interest rate on its financial liabilities in the period.

Trade payables in reverse factoring are presented in the line item "Trade payables" in current liabilities, provided that the reverse factoring has not caused a significant change in the terms of payment. The assessment of whether a fundamental change in the conditions of payment has occurred is the Management Board's judgment described in the section professional judgment of the financial statements.

#### **4.20. Borrowing costs**

The cost of external funding related to construction, adjustment, installation or improvement of fixed assets is captured, throughout the construction, adjustment, installation or improvement period, at the value of such assets, provided that these liabilities have been incurred for that purpose.

Financial expenses pertaining to financing with trade liabilities adjust the value of goods sold, inventories, liabilities and receivables, and are captured in the profit and loss account as interest cost.

#### **4.21. Deferred tax**

Deferred income tax is calculated by using the method of balance sheet liabilities in relation to all temporary differences as at the balance sheet date between the tax value of assets and liabilities and their carrying amount shown in the financial statements.

The deferred income tax provision is recognized with reference to all positive temporary differences unless the deferred income tax provision is recognized as a result of depreciating goodwill or initial presentation of an asset or liability in a transaction which does not constitute a business combination and at the moment of its execution has no influence on the gross financial result and taxable income or taxable loss.

The deferred income tax provision is recognized with reference to all positive temporary differences ensuing from investments in subsidiaries or associates, and interests in joint ventures, except for situations in which the timing and amounts of the temporary differences being reversed are subject to control or it is probable that the temporary differences will not reverse in the foreseeable future.

The deferred income tax asset is carried, with respect to all negative temporary differences and unused tax losses brought forward to the subsequent years, at such a probable expected taxable income amount as will make it possible to use those differences and losses unless deferred tax assets are created as a result of an initial presentation of an asset or liability component in a transaction that does not constitute a merger of entities and at the moment of its execution it has no influence on the gross financial result, taxable income or taxable loss.

In the case of deductible temporary differences associated with shares in subsidiaries or associates and interests in joint ventures, the related deferred tax asset is recognized in the balance sheet only for the amount of the taxable income, in respect to which it is probable that it can be expected to be generated in the foreseeable future (as a result of the reversal of these temporary differences) which would enable the deductible temporary differences to be offset.

The carrying amount of the deferred income tax asset is verified on every balance sheet date and is gradually reduced by the amount by which the achievement of taxable income sufficient for the deferred income tax asset is partially or fully realized.

Deferred tax assets and deferred tax liabilities are measured using tax rates that will be applied according to the regulations enacted up to the balance sheet date at the time when the asset is realized or the liability is settled.

### **Uncertainty related to tax settlements**

Regulations regarding VAT, corporate income tax and social security contributions are subject to frequent changes. These frequent changes result in there being little point of reference, interpretations not consistent and few established precedents that may be followed. The binding regulations also contain uncertainties resulting in differences in opinions regarding the legal interpretation of tax regulations both between government bodies, and between government bodies and companies.

Tax settlements and other areas of activity (e.g. customs or foreign currency related issues) may be subject to inspection by administrative bodies authorized to impose high penalties and fines, and any additional taxation liabilities calculated as a result must be paid together with high interest.

Accordingly, the amounts presented and disclosed in the financial statements may change in the future as a result of a final decision of tax audit authorities.

Effective 15 July 2016, the Polish Tax Code was amended for the General Anti-Abuse Rule (GAAR) provisions. GAAR is intended to prevent the creation and use of artificial legal arrangements to avoid payment of tax in Poland. GAAR defines tax avoidance as an act carried out primarily in order to achieve a tax benefit, contrary in the circumstances to the object and goal of a provision of a tax act. Pursuant to GAAR, such an act does not result in a tax benefit, if the mode of action was not genuine. All unjustified (i) split of operations, (ii) involvement of intermediary entities without any economic or business justification, (iii) elements that compensate or exclude each other and (iv) other actions with a similar effect to the previously mentioned, may be considered as prerequisites of artificial activities subject to GAAR. The new regulation will require significantly more judgment in assessment of the tax consequences of individual transactions.

The GAAR clause is effective with respect to transactions executed following its entry into force and transactions that were carried out before, but the benefits were / are being derived after the date of its entry into force. Implementation of the above provisions will enable the Polish tax authorities to challenge legal arrangements used by the taxpayers such as group restructurings and reorganizations.

Deferred tax assets and deferred tax provisions are presented separately in the balance sheet.

## **4.22. Recognition of revenues**

Revenues are recognized in the amount to which it is probable that the Company will obtain the economic benefits which may be valued credibly.

### **4.22.1. Sales of merchandise and products**

Revenues are captured when the significant risk and benefits arising from the title to the merchandise or products are transferred to the buyer. Revenues include due or obtained amounts from sales minus value added tax.

Revenues on sales of services are presented as revenues on sales of products. These revenues are recognized at the time of completion of the service. Revenues related to the benefits from the sale of services to suppliers of goods (e.g. marketing services), the Group presents as a deduction in cost of goods purchased from such vendors.

*Settlement of revenue under contracts with suppliers*

The Company enters into contracts with suppliers on whose basis rebates, discounts and additional remuneration and fees are awarded to the Company, hinging, among other things, on the volume of purchases and related to promotions and marketing. The Company recognizes the benefits derived from these contracts by subtracting them from the purchase price of merchandise from suppliers and accordingly a reduction in the cost of goods sold presented in the statement of profit or loss as cost of sales at the time of sale of the merchandise. The justified portion of the benefits received is allocated to unsold merchandise as at the balance sheet date as a reduction in the value thereof.

**4.22.2. Interest**

Interest income is recognized at the time it is accrued (using the effective interest rate) if its receipt is not doubtful.

**4.22.3. Dividends**

Dividends due are posted as financial income as at the date of adoption of the resolution, by the Shareholder Meeting of the company in which the entity has invested, to distribute the profit by way of a dividend unless the resolution specifies another dividend right day.

**4.22.4. Subsidies and grants**

Subsidies and grants are carried at fair value in situations where there is sufficient certainty that the subsidy will be obtained and that all the conditions necessary to obtain the subsidy will be fulfilled. If the subsidy or grant is related to a cost item, then it is deferred in the balance sheet and regularly captured in the relevant income item in a manner ensuring commensurability with the costs intended to be offset by the subsidy.

If the purpose of the subsidy or grant is to finance the purchase or manufacturing of a fixed asset, then it is deferred in the balance sheet and captured as income throughout the period of depreciation of the fixed asset.

**4.22.5. Social assets and liabilities of the Company Social Benefit Fund (ZFŚS)**

Pursuant to the Company Social Benefit Fund Act of 4 March 1994 (as amended), the Company Social Benefit Fund must be established by employers employing at least 50 employees on an FTE basis. The Company does not charge and does not have funds for the Social Fund in accordance with paragraph 15 of the Remuneration Bylaws (consolidated text of 31 October 2013, as amended).

DINO POLSKA S.A.  
Financial statements for the year ended 31 December 2021  
Balance sheet

**BALANCE SHEET**

**Assets**

(in thousands of PLN)

	Note	As at 31.12.2021	As at 31.12.2020
<b>A. Non-current assets</b>		<b>4,480,034</b>	<b>3,424,928</b>
<b>I. Intangible assets</b>	<b>6</b>	<b>21,486</b>	<b>24,630</b>
3. Other intangible assets		21,486	24,630
<b>II. Property, plant and equipment</b>	<b>7</b>	<b>3,637,916</b>	<b>2,597,950</b>
1. Fixed assets		3,368,145	2,426,989
a) land (including the perpetual usufruct right to land)		705,731	494,972
b) buildings, premises, rights to premises and civil and marine engineering facilities		1,864,226	1,355,728
c) technical equipment and machinery		461,515	324,693
d) means of transport		96,825	77,373
e) other fixed assets		239,848	174,223
2. Fixed assets under construction		267,648	170,961
3. Advances towards fixed assets under construction		2,123	-
<b>III. Non-current receivables</b>		<b>-</b>	<b>-</b>
<b>IV. Non-current investments</b>		<b>755,831</b>	<b>755,831</b>
3. Long-term financial assets		755,831	755,831
a) In related entities	8.1	755,831	755,831
- ownership interests or shares		755,831	755,831
- other securities		-	-
<b>V. Non-current deferred revenue</b>		<b>64,801</b>	<b>46,517</b>
1. Deferred tax assets	26	64,801	46,517
2. Other deferred revenue		-	-
<b>B. Current assets</b>		<b>2,084,410</b>	<b>1,562,906</b>
<b>I. Inventories</b>	<b>24</b>	<b>1,344,303</b>	<b>847,617</b>
1. Materials		31,575	34,968
2. Semi-finished goods and work in progress		-	-
3. Finished products		-	-
4. Merchandise		1,312,728	812,649
<b>II. Current receivables</b>		<b>199,230</b>	<b>142,519</b>
1. Receivables from related entities	41	26,613	1,135
a) for goods and services with a term of payment:		4,723	1,109
- up to 12 months		4,723	1,109
- other		21,890	26
2. Receivables from entities to which the company has equity exposure		-	-
3. Receivables from other entities		172,617	141,384
a) for goods and services with a term of payment:		81,284	47,531
- up to 12 months		81,284	47,531
b) on taxes, subsidies, customs duties, social security and health insurance or other public dues		37,412	56,737
c) other		53,921	37,116
<b>III. Current investments</b>		<b>535,115</b>	<b>569,586</b>
1. Current financial assets		535,115	569,586
a) In related entities	41	154,846	145,941
- other securities		-	-
- loans granted	8.2	154,393	145,040
- other current financial assets	8.2	453	901
b) in other entities		-	-
c) cash and other cash assets	34	380,269	423,645
- cash on hand and on accounts		117,673	180,613
- other cash		262,596	243,032
<b>IV. Current deferred revenue</b>	<b>9</b>	<b>5,762</b>	<b>3,184</b>
<b>C. Contributions due to share capital</b>		<b>-</b>	<b>-</b>
<b>D. Treasury stock</b>		<b>-</b>	<b>-</b>
<b>Total assets</b>		<b>6,564,444</b>	<b>4,987,834</b>

The balance sheet should be analyzed together with the notes and explanations, which constitute an integral part of the financial statements

DINO POLSKA S.A.  
Financial statements for the year ended 31 December 2021  
Balance sheet

**Equity and liabilities**

(in thousands of PLN)

	Note	As at 31.12.2021	As at 31.12.2020
<b>A. Equity</b>		<b>2,307,424</b>	<b>1,716,207</b>
<b>I. Share capital</b>	<b>10</b>	<b>9,804</b>	<b>9,804</b>
<b>II. Supplementary capital</b>		<b>1,676,055</b>	<b>1,208,019</b>
<b>III. Revaluation reserve (fund)</b>		-	-
<b>IV. Other reserve capital (fund)</b>		-	-
<b>V. Profit (loss) brought forward</b>		-	-
<b>VI. Net profit (loss)</b>		<b>591,217</b>	<b>468,036</b>
<b>VII. Other items of equity</b>		<b>30,348</b>	<b>30,348</b>
<b>VIII. Charges to net profit during the financial year (negative figure)</b>		-	-
<b>B. Liabilities and provisions for liabilities</b>		<b>4,257,020</b>	<b>3,271,627</b>
<b>I. Provisions for liabilities</b>	<b>13</b>	<b>67,654</b>	<b>51,673</b>
1. Deferred tax liability	26	61,372	47,916
2. Provision for pension and similar benefits		6,282	3,757
- non-current		4,426	2,514
- current		1,856	1,243
<b>II. Non-current liabilities</b>		<b>923,671</b>	<b>1,013,795</b>
1. To related entities		-	-
2. To other entities in which the company has equity exposure		-	-
3. To other entities	11	923,671	1,013,795
a) loans and borrowings		465,401	572,048
b) for issue of debt securities		450,000	419,936
c) other financial liabilities		8,270	21,811
<b>III. Current liabilities</b>		<b>3,210,864</b>	<b>2,166,999</b>
1. Liabilities to related entities	41	693,809	472,996
a) for goods and services with a term of being due and payable:		488,997	305,457
- up to 12 months		488,997	305,457
b) other		204,812	167,539
2. Liabilities to other entities in which the company has equity exposure		-	-
3. Liabilities to other entities		2,517,055	1,694,003
a) loans and borrowings	11	159,978	164,161
b) for issue of debt securities		171,642	930
c) other financial liabilities	11	13,410	28,986
d) for goods and services with a term of being due and payable:		1,857,181	1,240,810
- up to 12 months		1,857,181	1,240,810
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		169,047	140,168
h) payroll		102,093	78,272
i) other		43,704	40,676
<b>IV. Accruals and deferred revenue</b>		<b>54,831</b>	<b>39,160</b>
1. Negative goodwill		-	-
2. Other deferred revenue	17	54,831	39,160
- non-current		-	-
- current		54,831	39,160
<b>Total liabilities and equity</b>		<b>6,564,444</b>	<b>4,987,834</b>

The balance sheet should be analyzed together with the notes and explanations, which constitute an integral part of the financial statements

DINO POLSKA S.A.  
Financial statements for the year ended 31 December 2021  
Profit and loss account

**PROFIT AND LOSS ACCOUNT (COMPARABLE VERSION)**

(in thousands of PLN)

	Note	01.01.2021- 31.12.2021	01.01.2020- 31.12.2020
<b>A. Net revenues on sales and equivalents</b>	<b>21</b>	<b>13,339,312</b>	<b>10,115,839</b>
- from related entities		10,933	8,340
I. Net revenue on sales of products and services		31,173	21,615
IV. Net revenue on sales of goods and materials		13,308,139	10,094,224
<b>B. Operating expenses</b>		<b>12,560,574</b>	<b>9,490,536</b>
I. Depreciation and amortization		183,672	144,840
II. Consumption of materials and energy		179,437	146,736
III. External services		625,513	489,827
IV. Taxes and fees		229,483	38,653
V. Employee benefits		1,165,404	884,836
VI. Social security and other benefits, of which:		276,151	206,244
- pension		101,308	84,260
VII. Other costs by nature		52,980	41,662
VIII. Cost of goods and materials sold		9,847,934	7,537,738
<b>C. Sales profit (loss) (A – B)</b>		<b>778,738</b>	<b>625,303</b>
<b>D. Other operating income</b>	<b>27</b>	<b>12,755</b>	<b>6,374</b>
I. Profit on disposal of non-financial non-current assets		-	-
II. Grants		34	202
III. Revaluation of non-financial assets		-	-
IV. Other operating income		12,721	6,172
<b>E. Other operating expenses</b>	<b>28</b>	<b>11,211</b>	<b>5,486</b>
I. Loss on disposal of non-financial non-current assets		4,836	2,325
II. Revaluation of non-financial assets		-	-
III. Other operating expenses		6,375	3,161
<b>F. Operating profit (loss) (C+D-E)</b>		<b>780,282</b>	<b>626,191</b>
<b>G. Financial income</b>	<b>29</b>	<b>5,757</b>	<b>8,777</b>
I. Dividends i profit sharing		-	-
II. Interest, including:		4,309	5,627
- from related entities		4,257	5,255
III. Profit on disposal of financial assets		-	-
IV. Revaluation of financial assets		-	-
V. Other		1,448	3,150
<b>H. Financial expenses</b>	<b>30</b>	<b>55,441</b>	<b>56,508</b>
I. Interest, including:		45,935	48,575
- to related entities		772	885
II. Loss on disposal of financial assets, including:		-	-
III. Revaluation of financial assets		-	-
IV. Other		9,506	7,933
<b>I. Profit / (loss) before tax (F + G - H)</b>		<b>730,598</b>	<b>578,460</b>
<b>J. Income tax</b>	<b>26</b>	<b>139,381</b>	<b>110,424</b>
<b>K. Other mandatory decreases of profit (increases of loss)</b>		<b>-</b>	<b>-</b>
<b>L. Net profit (loss) (I – J – K)</b>		<b>591,217</b>	<b>468,036</b>

The profit and loss account should be analyzed together with the notes and explanations, which constitute an integral part of the financial statements

DINO POLSKA S.A.  
Financial statements for the year ended 31 December 2021  
Statement of changes in equity

**STATEMENT OF CHANGES IN EQUITY**

<i>(in thousands of PLN)</i>	<i>Note</i>	<b>01.01.2021- 31.12.2021</b>	<b>01.01.2020- 31.12.2020</b>
<b>I. Equity at the beginning of the period (OB)</b>		<b>1,716,207</b>	<b>1,248,171</b>
<b>I.a. Equity at the beginning of the period (OB), adjusted</b>		<b>1,716,207</b>	<b>1,248,171</b>
1. Share capital at the beginning of the period		9,804	9,804
1.1. Movement in share capital		-	-
<b>1.2. Share capital at the end of the period</b>	<b>10</b>	<b>9,804</b>	<b>9,804</b>
2. Supplementary capital at the beginning of the period		1,208,019	889,818
2.1. Changes to supplementary capital		468,036	318,201
(i) increase		468,036	318,201
- profit distribution	12.1	468,036	318,201
b) decrease		-	-
<b>2.2. Balance of supplementary capital at the end of the period</b>		<b>1,676,055</b>	<b>1,208,019</b>
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		-	-
<b>4.2. Other reserve capital at the end of the period</b>		<b>-</b>	<b>-</b>
5. Profit (loss) brought forward at the beginning of the period		468,036	318,201
5.1. Profit brought forward at the beginning of the period		468,036	318,201
5.2. Profit brought forward at the beginning of the period, adjusted		468,036	318,201
(i) increase		-	-
b) decrease		(468,036)	(318,201)
- profit distribution - transfer to supplementary capital	12.1	(468,036)	(318,201)
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		-	-
(i) increase		-	-
b) decrease		-	-
5.6. Losses brought forward at the end of the period		-	-
<b>5.7. Profit (loss) brought forward at the end of the period</b>		<b>-</b>	<b>-</b>
<b>6. Net result</b>		<b>591,217</b>	<b>468,036</b>
a) net profit		591,217	468,036
b) net loss		-	-
c) charges to profit		-	-
<b>7. Other items of equity at the beginning of the period</b>		<b>30,348</b>	<b>30,348</b>
<b>7. Other items of equity at the end of the period</b>		<b>30,348</b>	<b>30,348</b>
<b>8. Charges to net profit during the financial year (negative figure)</b>		<b>-</b>	<b>-</b>
<b>II. Equity at the end of the period (CB)</b>		<b>2,307,424</b>	<b>1,716,207</b>
<b>III. Equity after considering the proposed distribution of profits (coverage of losses)</b>		<b>2,307,424</b>	<b>1,716,207</b>

The statement of changes in equity should be analyzed together with the notes and explanations, which constitute an integral part of the financial statements



DINO POLSKA S.A.  
Financial statements for the year ended 31 December 2021  
Statement of cash flows

**STATEMENT OF CASH FLOWS (INDIRECT METHOD)**

(in thousands of PLN)

	Note	01.01.2021- 31.12.2021	01.01.2020- 31.12.2020
<b>A. Cash flow from operating activities</b>			
<b>I. Net profit (loss)</b>		<b>591,217</b>	<b>468,036</b>
<b>II. Total adjustments</b>		<b>582,862</b>	<b>208,086</b>
1. Depreciation and amortization		183,672	144,840
2. Gains (losses) arising from changes in foreign currency exchange rates		-	-
3. Interest and profit sharing (dividends)	35	66,352	48,951
4. Profit (loss) on investing activity		4,836	2,325
5. Movement in provisions		15,981	12,034
6. Movement in inventories		(496,686)	(246,422)
7. Movement in receivables	35	(38,682)	(42,160)
8. Movement in current liabilities, except for loans and borrowings	35	852,580	293,260
9. Movement in prepayments, accruals and deferred revenue		(5,191)	(4,742)
<b>III. Net cash flow from operating activities (I±II)</b>		<b>1,174,079</b>	<b>676,122</b>
<b>B. Cash flow from investing activities</b>			
<b>I. Inflows</b>		<b>269,338</b>	<b>94,469</b>
1. Sale of intangible assets and property, plant and equipment		3,154	741
2. Sale of investments in real property and intangible assets		-	-
3. From financial assets, of which:		266,184	93,728
a) in related entities		266,133	93,357
b) in other entities		51	371
- interest		51	371
<b>II. Outflows</b>		<b>(1,473,363)</b>	<b>(927,049)</b>
1. Purchase of intangible assets and property, plant and equipment		(1,202,135)	(870,449)
2. Investments in real property and intangible assets		-	-
3. Towards financial assets, of which:		(271,228)	(56,600)
a) in related entities		(271,228)	(56,600)
<b>III. Net cash flow from investing activities (I-II)</b>		<b>(1,204,025)</b>	<b>(832,580)</b>
<b>C. Cash flow from financing activities</b>			
<b>I. Inflows</b>		<b>271,636</b>	<b>557,869</b>
1. Net inflows on the delivery of shares (share issue) and other equity instruments and capital contributions		-	-
2. Loans and borrowings		71,636	307,869
3. Issue of debt securities		200,000	250,000
<b>II. Outflows</b>		<b>(285,066)</b>	<b>(355,503)</b>
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		(193,465)	(155,239)
5. Redemption of debt securities		-	(100,000)
6. On account of other financial liabilities		-	-
7. Payment of finance lease liabilities		(29,194)	(43,761)
8. Interest		(45,291)	(48,891)
9. Other financial expenditures		(17,116)	(7,612)
<b>III. Net cash from financing activities (I-II)</b>		<b>(13,430)</b>	<b>202,366</b>
<b>D. Total net cash flow (A.III±B.III±C.III)</b>		<b>(43,376)</b>	<b>45,908</b>
<b>E. Balance sheet movement in cash, including</b>		<b>(43,376)</b>	<b>45,908</b>
- movement in cash arising from changes in foreign currency exchange rates		-	-
<b>F. Cash at the beginning of the period</b>		<b>423,645</b>	<b>377,737</b>
<b>G. Cash at the end of the period (F±D), including</b>	<b>34</b>	<b>380,269</b>	<b>423,645</b>
- restricted cash		326	1

The statement of cash flows should be analyzed together with notes and explanations, which constitute an integral part of the financial statements

## FINANCIAL HIGHLIGHTS

	<i>PLN</i>		<i>EUR*</i>	
	<i>01.01.2021- 31.12.2021</i>	<i>01.01.2020- 31.12.2020</i>	<i>01.01.2021- 31.12.2021</i>	<i>01.01.2020- 31.12.2020</i>
Sales revenue	13,339,312	10,115,839	2,914,104	2,260,927
Operating profit	780,282	626,191	170,460	139,956
Profit before tax	730,598	578,460	159,606	129,288
Net profit	591,217	468,036	129,157	104,608
Number of shares	98,040,000	98,040,000	98,040,000	98,040,000
Basic / diluted earnings per share in PLN, EUR	6.03	4.77	1.32	1.07
Cash flow from operating activities	1,174,079	676,122	256,489	151,116
Cash flow from investing activities	(1,204,025)	(832,580)	(263,031)	(186,085)
Cash flow from financing activities	(13,430)	202,366	(2,934)	45,230
Net change in cash and cash equivalents	(43,376)	45,908	(9,476)	10,261

\*In the case of data in EUR, the arithmetic mean of the EUR/PLN exchange rates published by the National Bank of Poland on the last day of every month in a given reporting period were used:

- NBP's average exchange rate in 2021: PLN 4.5775/EUR

- NBP's average exchange rate in 2020: PLN 4.4742/EUR

	<i>PLN</i>		<i>EUR*</i>	
	<i>as at 31 December 2021</i>	<i>as at 31 December 2020</i>	<i>as at 31 December 2021</i>	<i>as at 31 December 2020</i>
Total assets	6,564,444	4,987,834	1,427,239	1,080,834
Total non-current assets	4,480,034	3,424,928	974,047	742,162
Total current assets	2,084,410	1,562,906	453,192	338,673
Equity	2,307,424	1,716,207	501,679	371,892
Share capital	9,804	9,804	2,132	2,124
Non-current liabilities	923,671	1,013,795	200,824	219,683
Current liabilities	3,210,864	2,166,999	698,105	469,576

\* 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:

- NBP's average exchange rate as at 31 December 2021: 4.5994 PLN/EUR

- NBP's average exchange rate as at 31 December 2020: 4.6148 PLN/EUR

## **NOTES AND EXPLANATIONS**

### **1. INFORMATION ABOUT SIGNIFICANT EVENTS CONCERNING THE PREVIOUS YEARS CAPTURED IN THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR**

Up to the date of preparing the financial statements for the financial year, no significant events occurred during previous years that should be captured in the financial year's financial statements.

### **2. INFORMATION ABOUT SIGNIFICANT EVENTS THAT OCCURRED AFTER THE BALANCE SHEET DATE AND THAT HAVE NOT BEEN CAPTURED IN THE FINANCIAL STATEMENTS**

After the balance sheet date and up to the date of drawing up the financial statements for the financial year, no significant events other than described in Note 48 occurred that were not captured in the financial year's financial statements.

### **3. CHANGES IN THE ACCOUNTING PRINCIPLES (POLICIES) IN THE FINANCIAL YEAR**

Financial statements for the current and previous financial year have been prepared using the same accounting principles (policies).

### **4. CORRECTION OF ERRORS**

During the financial year there were no corrections of errors which could have impact on comparability of the financial data for the previous year and the data from the financial statements for the current financial year.

### **5. COMPARABILITY OF THE FINANCIAL DATA FOR THE PREVIOUS YEAR AND THE DATA FROM THE FINANCIAL STATEMENTS FOR THE CURRENT FINANCIAL YEAR**

In the current year the Company did not make any changes to the accounting policies or correct any errors and consequently it was not obligated to present figures ensuring comparability of the financial statements for the previous financial year with the financial statements for the current financial year.

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**6. INTANGIBLE ASSETS**

**Year ended 31 December 2021**

<i>(in thousands of PLN)</i>	<i>Costs of completed development work</i>	<i>Goodwill</i>	<i>Other intangible assets</i>	<i>Advance payments towards intangible assets</i>	<i>Total</i>
<b><u>Initial value</u></b>					
<b>Opening balance</b>	-	-	53,776	-	53,776
Increases, including:	-	-	2,998	-	2,998
Purchase	-	-	2,998	-	2,998
Decreases	-	-	-	-	-
<b>Closing balance</b>	-	-	<b>56,774</b>	-	<b>56,774</b>
<b><u>Depreciation</u></b>					
<b>Opening balance</b>	-	-	29,146	-	29,146
Increases, including:	-	-	6,142	-	6,142
Depreciation in the period	-	-	6,142	-	6,142
Decreases	-	-	-	-	-
<b>Closing balance</b>	-	-	<b>35,288</b>	-	<b>35,288</b>
<b><u>Net value</u></b>					
<b>Opening balance</b>	-	-	<b>24,630</b>	-	<b>24,630</b>
<b>Closing balance</b>	-	-	<b>21,486</b>	-	<b>21,486</b>

**Year ended 31 December 2020**

<i>(in thousands of PLN)</i>	<i>Costs of completed development work</i>	<i>Goodwill</i>	<i>Other intangible assets</i>	<i>Advance payments towards intangible assets</i>	<i>Total</i>
<b><u>Initial value</u></b>					
<b>Opening balance</b>	-	-	49,877	-	49,877
Increases, including:	-	-	4,137	-	4,137
Purchase	-	-	4,137	-	4,137
Decreases, including:	-	-	(238)	-	(238)
Liquidation	-	-	(238)	-	(238)
<b>Closing balance</b>	-	-	<b>53,776</b>	-	<b>53,776</b>
<b><u>Depreciation</u></b>					
<b>Opening balance</b>	-	-	23,853	-	23,853
Increases, including:	-	-	5,531	-	5,531
Depreciation in the period	-	-	5,531	-	5,531
Decreases, including:	-	-	(238)	-	(238)
Liquidation	-	-	(238)	-	(238)
<b>Closing balance</b>	-	-	<b>29,146</b>	-	<b>29,146</b>
<b><u>Net value</u></b>					
<b>Opening balance</b>	-	-	<b>26,024</b>	-	<b>26,024</b>
<b>Closing balance</b>	-	-	<b>24,630</b>	-	<b>24,630</b>

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**7. PROPERTY, PLANT AND EQUIPMENT**

**Year ended 31 December 2021**

(in thousands of PLN)

	<i>Land</i>	<i>- including perpetual usufruct right to land*</i>	<i>Buildings, premises, rights to premises and civil and marine engineering facilities</i>	<i>Technical equipment and machinery</i>	<i>Means of transport</i>	<i>Other fixed assets</i>	<i>Fixed assets under construction</i>	<i>Advances towards fixed assets under construction</i>	<i>Total</i>
<b>Gross value as at 1 January</b>	<b>494,972</b>	<b>31,018</b>	<b>1,430,378</b>	<b>519,866</b>	<b>115,996</b>	<b>352,095</b>	<b>170,961</b>	<b>-</b>	<b>3,084,268</b>
Purchases	-	-	-	-	-	-	1,241,393	2,123	1,243,516
Sales	(1,752)	-	(17,099)	(3,071)	(1,105)	(279)	(579)	-	(23,885)
Liquidation	-	-	(2,171)	(7,022)	(2,441)	(34,261)	(4,375)	-	(50,270)
Transformation of the right of perpetual usufruct to land into the right of ownership	8,157	(8,157)	-	-	-	-	-	-	-
Transfer from fixed assets under construction	204,354	11,940	570,200	207,866	33,480	115,695	(1,139,752)	-	-
<b>Gross value as at 31 December</b>	<b>705,731</b>	<b>34,801</b>	<b>1,981,308</b>	<b>717,639</b>	<b>145,930</b>	<b>433,250</b>	<b>267,648</b>	<b>2,123</b>	<b>4,253,629</b>
<b>Accumulated depreciation and impairment losses as at 1 January</b>	<b>-</b>	<b>-</b>	<b>74,650</b>	<b>195,173</b>	<b>38,623</b>	<b>177,872</b>	<b>-</b>	<b>-</b>	<b>486,318</b>
Depreciation charge for the period	-	-	43,811	69,486	14,233	50,000	-	-	177,530
Sales	-	-	(1,304)	(2,492)	(828)	(234)	-	-	(4,858)
Liquidation	-	-	(75)	(6,043)	(2,923)	(34,236)	-	-	(43,277)
<b>Accumulated depreciation and impairment losses as at 31 December</b>	<b>-</b>	<b>-</b>	<b>117,082</b>	<b>256,124</b>	<b>49,105</b>	<b>193,402</b>	<b>-</b>	<b>-</b>	<b>615,713</b>
<b>Net value as at 1 January</b>	<b>494,972</b>	<b>31,018</b>	<b>1,355,728</b>	<b>324,693</b>	<b>77,373</b>	<b>174,223</b>	<b>170,961</b>	<b>-</b>	<b>2,597,950</b>
<b>Net value as at 31 December</b>	<b>705,731</b>	<b>34,801</b>	<b>1,864,226</b>	<b>461,515</b>	<b>96,825</b>	<b>239,848</b>	<b>267,648</b>	<b>2,123</b>	<b>3,637,916</b>

\* The liquidation of the perpetual usufruct right to land pertains to the transformation of perpetual usufruct into the right of ownership.

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**Year ended 31 December 2020**

<i>(in thousands of PLN)</i>	<i>Land</i>	<i>- including perpetual usufruct right to land*</i>	<i>Buildings, premises, rights to premises and civil and marine engineering facilities</i>	<i>Technical equipment and machinery</i>	<i>Means of transport</i>	<i>Other fixed assets</i>	<i>Fixed assets under construction</i>	<i>Total</i>
<b>Gross value as at 1 January</b>	<b>335,637</b>	<b>21,942</b>	<b>1,015,193</b>	<b>403,099</b>	<b>91,143</b>	<b>274,466</b>	<b>85,340</b>	<b>2,204,878</b>
Purchases	-	-	-	-	-	-	891,978	891,978
Sales	(12)	-	(5)	(1,202)	(2,004)	(140)	(2)	(3,365)
Liquidation	-	-	-	(2,946)	-	(4,249)	(2,028)	(9,223)
Transfer from fixed assets under construction	159,347	9,076	415,190	120,915	26,857	82,018	(804,327)	-
<b>Gross value as at 31 December</b>	<b>494,972</b>	<b>31,018</b>	<b>1,430,378</b>	<b>519,866</b>	<b>115,996</b>	<b>352,095</b>	<b>170,961</b>	<b>3,084,268</b>
<b>Accumulated depreciation and impairment losses as at 1 January</b>	-	-	<b>44,142</b>	<b>146,171</b>	<b>28,617</b>	<b>137,603</b>	-	<b>356,533</b>
Depreciation charge for the period	-	-	30,508	52,355	11,889	44,557	-	139,309
Sales	-	-	-	(768)	(1,883)	(107)	-	(2,758)
Liquidation	-	-	-	(2,585)	-	(4,181)	-	(6,766)
<b>Accumulated depreciation and impairment losses as at 31 December</b>	-	-	<b>74,650</b>	<b>195,173</b>	<b>38,623</b>	<b>177,872</b>	-	<b>486,318</b>
<b>Net value as at 1 January</b>	<b>335,637</b>	<b>21,942</b>	<b>971,051</b>	<b>256,928</b>	<b>62,526</b>	<b>136,863</b>	<b>85,340</b>	<b>1,848,345</b>
<b>Net value as at 31 December</b>	<b>494,972</b>	<b>31,018</b>	<b>1,355,728</b>	<b>324,693</b>	<b>77,373</b>	<b>174,223</b>	<b>170,961</b>	<b>2,597,950</b>

\* The liquidation of the perpetual usufruct right to land pertains to the transformation of perpetual usufruct into the right of ownership.

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As at 31 December 2021, the value of land in perpetual usufruct was PLN 34,801 thousand (PLN 31,018 thousand as at 31 December 2020).

As at 31 December 2021, fixed assets with the net value of PLN 42,358 thousand were used on the basis of financial lease agreements (PLN 82,685 thousand as at 31 December 2020).

As at 31 December 2021, based on operational lease, rental, tenancy and other agreements (except for financial lease agreements), the Company used fixed assets with a value of approximately PLN 945,271 thousand (PLN 951,091 thousand as at 31 December 2020).

Capital expenditures carried out in the current financial year were PLN 1,243,516 thousand (PLN 891,978 thousand in 2020). In 2021 the capital expenditures for environmental protection totaled PLN 35 million (in 2020: PLN 24 million). The capital expenditures planned for 2022 are roughly PLN 1.3 billion.

As at 31 December 2021 and 31 December 2020, the Company did not have any liabilities towards the state budget or local government units by virtue of obtaining the ownership right to buildings and structures or cost of service (including exchange gains and losses) of liabilities incurred to finance fixed assets under construction captured in the manufacturing cost (purchase price).

## 8. INVESTMENTS

### 8.1. Non-current investments

#### Year ended 31 December 2021

(in thousands of PLN)

	<i>Real estate</i>	<i>Intangible assets</i>	<i>Long-term financial assets in related entities</i>	<i>Total</i>
<b>Opening balance, including:</b>	-	-	<b>755,831</b>	<b>755,831</b>
Gross value	-	-	755,831	755,831
Increases, including:	-	-	-	-
Purchase	-	-	-	-
Other	-	-	-	-
Decreases, including:	-	-	-	-
Other	-	-	-	-
<b>Closing balance, including:</b>	-	-	<b>755,831</b>	<b>755,831</b>
Gross value	-	-	755,831	755,831

#### Year ended 31 December 2020

(in thousands of PLN)

	<i>Real estate</i>	<i>Intangible assets</i>	<i>Long-term financial assets in related entities</i>	<i>Total</i>
<b>Opening balance, including:</b>	-	-	<b>755,835</b>	<b>755,835</b>
Gross value	-	-	755,835	755,835
Increases, including:	-	-	-	-
Purchase	-	-	-	-
Other	-	-	-	-
Decreases, including:	-	-	(4)	(4)
Other	-	-	(4)	(4)
<b>Closing balance, including:</b>	-	-	<b>755,831</b>	<b>755,831</b>
Gross value	-	-	755,831	755,831

On 14 October 2020 the subsidiary doing business as Vitrena Holdings Ltd. was deleted from the business register.

## 8.2. Current investments

Current investments, net of cash and other cash assets involve the following:

### Year ended 31 December 2021

<i>(in thousands of PLN)</i>	<i>Ownership interests and shares</i>	<i>Loans granted</i>	<i>Other - mortgage sureties</i>	<i>Total</i>
<b>Opening balance, including:</b>	-	<b>145,040</b>	<b>901</b>	<b>145,941</b>
Gross value	-	145,040	901	145,941
Increases, including:	-	271,229	1,351	272,580
Granted	-	271,229	1,351	272,580
Decreases, including:	-	(261,876)	(1,799)	(263,675)
Other - repayments	-	(261,876)	(1,799)	(263,675)
<b>Closing balance, including:</b>	-	<b>154,393</b>	<b>453</b>	<b>154,846</b>
Gross value	-	154,393	453	154,846

### Year ended 31 December 2020

<i>(in thousands of PLN)</i>	<i>Ownership interests and shares</i>	<i>Loans granted</i>	<i>Other - mortgage sureties</i>	<i>Total</i>
<b>Opening balance, including:</b>	-	<b>176,539</b>	-	<b>176,539</b>
Gross value	-	176,539	-	176,539
Increases, including:	-	62,017	901	62,918
Granted	-	62,017	901	62,918
Decreases, including:	-	(93,516)	-	(93,516)
Other - repayments	-	(93,516)	-	(93,516)
<b>Closing balance, including:</b>	-	<b>145,040</b>	<b>901</b>	<b>145,941</b>
Gross value	-	145,040	901	145,941

## 9. ACCRUALS AND PREPAYMENTS

<i>(in thousands of PLN)</i>	<i>31.12.2021</i>	<i>31.12.2020</i>
Deferred tax assets	64,801	46,517
<b>Total non-current</b>	<b>64,801</b>	<b>46,517</b>
Costs of rental-related fees	922	1,113
Insurance costs	1,480	1,299
Other	3,360	772
<b>Total current</b>	<b>5,762</b>	<b>3,184</b>

## 10. CAPITAL

As at 31 December 2021 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 2020 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.

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.



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

**31 December 2021**

<i>Shareholder</i>	<i>Number of shares</i>	<i>Percentage of share capital</i>	<i>Percentage of votes at the Shareholder Meeting</i>
Tomasz Biernacki with a subsidiary	50,160,000	51.16%	51.16%
Other shareholders	47,880,000	48.84%	48.84%
<b>Total</b>	<b>98,040,000</b>	<b>100.00%</b>	<b>100.00%</b>

**31 December 2020**

<i>Shareholder</i>	<i>Number of shares</i>	<i>Percentage of share capital</i>	<i>Percentage of votes at the Shareholder Meeting</i>
Tomasz Biernacki with a subsidiary	50,160,000	51.16%	51.16%
Other shareholders	47,880,000	48.84%	48.84%
<b>Total</b>	<b>98,040,000</b>	<b>100.00%</b>	<b>100.00%</b>

**11. INTEREST-BEARING BANK CREDIT AND LOANS AND OTHER FINANCIAL LIABILITIES**

The table below presents financial liabilities to unrelated entities. Transactions involving obtained loans and other payables to related entities are presented in Note 41.

*(in thousands of PLN)*

	<i>31.12.2021</i>	<i>31.12.2020</i>
<i>Current</i>		
Liabilities under finance lease agreements and hire-purchase agreements	13,410	28,986
Current account overdrafts	7,525	-
Investment loans	152,453	164,006
Borrowing	-	155
Bonds	171,642	930
<b>Total current</b>	<b>345,030</b>	<b>194,077</b>
<i>Non-current</i>		
Liabilities under finance lease agreements and hire-purchase agreements	8,270	21,811
Investment loans	465,401	572,048
Bonds	450,000	419,936
<b>Total non-current</b>	<b>923,671</b>	<b>1,013,795</b>

**12. PROFIT DISTRIBUTION**

**12.1. Profit distribution for the previous year**

The Ordinary Shareholder Meeting held on 16 June 2021 adopted a resolution to allocate the profit for the previous year to supplementary capital.

**12.2. Profit distribution**

The financial statements were prepared prior to the adoption of the resolution to distribute profit for the current year. The Company's Management Board will propose to allocate the profit for the year to the Company's supplementary capital.

### 13. PROVISIONS

The following movements in provisions transpired in the reporting periods covered by the financial statements:

#### Year ended 31 December 2021

<i>(in thousands of PLN)</i>	<i>Deferred tax liability</i>	<i>Provision for pension and similar benefits</i>	<i>Total</i>
<b>As at 1 January 2021</b>	<b>47,916</b>	<b>3,757</b>	<b>51,673</b>
Increases	13,456	2,525	<b>15,981</b>
Reversal	-	-	-
Utilization	-	-	-
<b>As at 31 December 2021, including:</b>	<b>61,372</b>	<b>6,282</b>	<b>67,654</b>
Non-current	61,372	4,426	<b>65,798</b>
Current	-	1,856	<b>1,856</b>

#### Year ended 31 December 2020

<i>(in thousands of PLN)</i>	<i>Deferred tax liability</i>	<i>Provision for pension and similar benefits</i>	<i>Total</i>
<b>As at 1 January 2020</b>	<b>37,114</b>	<b>2,525</b>	<b>39,639</b>
Increases	10,802	1,232	<b>12,034</b>
Reversal	-	-	-
Utilization	-	-	-
<b>As at 31 December 2020, including:</b>	<b>47,916</b>	<b>3,757</b>	<b>51,673</b>
Non-current	47,916	2,514	<b>50,430</b>
Current	-	1,243	<b>1,243</b>

### 14. IMPAIRMENT LOSSES FOR RECEIVABLES

#### Year ended 31 December 2021

<i>(in thousands of PLN)</i>	<i>Impairment losses for non-current receivables</i>	<i>Impairment losses for current receivables</i>
<b>As at 1 January 2021</b>	-	<b>375</b>
Increases	-	1,160
- on account of cash shortages	-	196
- impairment losses for settlements	-	964
Utilization	-	(389)
- on account of cash shortages	-	(56)
- impairment losses for settlements	-	(333)
Reversal	-	(37)
- impairment losses for settlements	-	(37)
<b>As at 31 December 2021</b>	-	<b>1,109</b>

#### Year ended 31 December 2020

<i>(in thousands of PLN)</i>	<i>Impairment losses for non-current receivables</i>	<i>Impairment losses for current receivables</i>
<b>As at 1 January 2020</b>	-	<b>188</b>
Increases	-	274
- impairment losses for settlements	-	274
Utilization	-	(84)
- impairment losses for settlements	-	(84)
Reversal	-	(3)
- impairment losses for settlements	-	(3)
<b>As at 31 December 2020</b>	-	<b>375</b>

## 15. NON-CURRENT LIABILITIES

Structure of the due and payable date of non-current liabilities:

### 31 December 2021

<i>(in thousands of PLN)</i>	<i>up to 1 year</i>	<i>1 - 3 years</i>	<i>3 - 5 years</i>	<i>more than 5 years</i>	<i>Total</i>
Non-current liabilities to related entities	-	-	-	-	-
To other entities in which the company has equity exposure	-	-	-	-	-
Non-current liabilities to related entities, including:	345,030	822,336	95,335	6,000	1,268,701
a) bank loans and borrowings	159,978	364,213	95,188	6,000	625,379
b) for issue of debt securities	171,642	450,000	-	-	621,642
d) for finance leases	13,410	8,123	147	-	21,680
<b>Non-current liabilities, total as at 31 December 2021</b>	<b>345,030</b>	<b>822,336</b>	<b>95,335</b>	<b>6,000</b>	<b>1,268,701</b>

### 31 December 2020

<i>(in thousands of PLN)</i>	<i>up to 1 year</i>	<i>1 - 3 years</i>	<i>3 - 5 years</i>	<i>more than 5 years</i>	<i>Total</i>
Non-current liabilities to related entities	-	-	-	-	-
To other entities in which the company has equity exposure	-	-	-	-	-
Non-current liabilities to related entities, including:	194,077	830,223	171,876	11,696	1,207,872
a) bank loans and borrowings	164,161	388,653	171,699	11,696	736,209
b) for issue of debt securities	930	419,936	-	-	420,866
d) for finance leases	28,986	21,634	177	-	50,797
<b>Non-current liabilities, total as at 31 December 2020</b>	<b>194,077</b>	<b>830,223</b>	<b>171,876</b>	<b>11,696</b>	<b>1,207,872</b>

## 16. SOCIAL ASSETS AND LIABILITIES

The Act on the Company Social Benefits Fund of 4 March 1994, as amended requires companies employing 50 or more people to establish and run a company social benefits fund.

Social assets and liabilities did not occur in the year ended 31 December 2021 and 31 December 2020. The Company does not assess or carry any assets in the Company Social Benefits Fund in accordance with paragraph 15 of the Remuneration Bylaws (consolidated text of 31 October 2013, as amended).

## 17. ACCRUALS AND DEFERRED REVENUE

<i>(in thousands of PLN)</i>	<i>31.12.2021</i>	<i>31.12.2020</i>
<b>1. Negative goodwill</b>	-	-
<b>2a. Total other non-current deferred revenue</b>	-	-
<b>2b. Total other current deferred revenue</b>	<b>54,831</b>	<b>39,160</b>
Other, including:	54,831	39,160
- provision for unused holiday leave	54,626	39,022
- provision for auditing the financial statements	205	104
- grants	-	34
<b>Deferred revenue – total</b>	<b>54,831</b>	<b>39,160</b>

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**18. LIABILITIES SECURED ON THE ENTITY'S ASSETS**

The Company had the following types of liabilities secured on its assets (in thousands of PLN):

**31 December 2021**

No.	Type of liability	Date agreement signed	Outstanding liability as at 31 December 2021*	Interest rate	Date of repayment	Collateral type
			(thousands of PLN)			
1	Credit facility BANK 1	2012-01-26	7525	WIBOR + margin	2023-10-31	joint contractual mortgage, assignment of rights to an insurance policy
2	Credit facility BANK 1	2016-10-25	22,596	WIBOR + margin	2024-10-24	joint contractual mortgage, assignment of rights to an insurance policy
3	Credit facility BANK 1	2016-10-25	70,588	WIBOR + margin	2025-04-24	joint contractual mortgage, assignment of rights to an insurance policy
4	Credit facility BANK 1	2019-02-11	52,706	WIBOR + margin	2026-08-11	joint contractual mortgage, assignment of rights to an insurance policy
5	Credit facility BANK 1	2020-02-07	119,900	WIBOR + margin	2023-11-06	joint contractual mortgage, assignment of rights to an insurance policy
6	Credit facility BANK 2	2018-02-19	43,789	WIBOR + margin	2023-02-18	joint contractual mortgage, assignment of rights to an insurance policy
7	Credit facility BANK 3	2013-11-22	672	WIBOR + margin	2023-10-31	joint contractual mortgage, assignment of rights to an insurance policy
8	Credit facility BANK 3	2014-01-09	5,769	WIBOR + margin	2023-11-30	joint contractual mortgage, assignment of rights to an insurance policy
9	Credit facility BANK 3	2015-04-17	8,333	WIBOR + margin	2025-03-31	joint contractual mortgage, assignment of rights to an insurance policy
10	Credit facility BANK 3	2021-03-12	-	WIBOR + margin	2024-02-05	joint contractual mortgage, assignment of rights to an insurance policy
11	Credit facility BANK 4	2014-04-15	-	WIBOR + margin	2022-04-14	joint contractual mortgage, assignment of rights to an insurance policy
12	Credit facility BANK 4	2014-04-15	4,174	WIBOR + margin	2022-04-14	joint contractual mortgage, assignment of rights to an insurance policy
13	Credit facility BANK 4	2018-07-03	39,583	WIBOR + margin	2026-07-02	joint contractual mortgage, assignment of rights to an insurance policy
14	Credit facility BANK 4	2016-04-15	7,804	WIBOR + margin	2024-04-14	joint contractual mortgage, assignment of rights to an insurance policy
15	Credit facility BANK 4	2020-08-24	46,000	WIBOR + margin	2027-08-23	joint contractual mortgage, assignment of rights to an insurance policy
16	Credit facility BANK 5	2020-04-03	32,996	WIBOR + margin	2025-04-02	joint contractual mortgage, assignment of rights to an insurance policy
17	Credit facility BANK 5	2018-08-09	22,500	WIBOR + margin	2023-08-08	joint contractual mortgage, assignment of rights to an insurance policy
18	Credit facility BANK 5	2019-08-08	51,300	WIBOR + margin	2024-07-21	joint contractual mortgage, assignment of rights to an insurance policy
19	Credit facility BANK 5	2020-12-18	-	WIBOR + margin	2022-12-17	joint contractual mortgage, assignment of rights to an insurance policy
20	Credit facility BANK 5	2021-02-11	-	WIBOR + margin	2023-02-07	joint contractual mortgage, assignment of rights to an insurance policy
21	Credit facility BANK 6	2017-03-20	-	WIBOR + margin	2024-03-31	joint contractual mortgage, assignment of rights to an insurance policy
22	Credit facility BANK 6	2017-03-20	45,714	WIBOR + margin	2025-12-31	joint contractual mortgage, assignment of rights to an insurance policy
23	Credit facility BANK 6	2019-09-04	44,262	WIBOR + margin	2025-09-04	joint contractual mortgage, assignment of rights to an insurance policy
<b>TOTAL</b>			<b>626,211</b>			

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No.	Type of liability	Date agreement signed	Outstanding liability as at 31 December 2020*	Interest rate	Date of repayment	Collateral type
			(thousands of PLN)			
1	Credit facility BANK 1	2012-01-26	-	WIBOR + margin	2021-10-31	joint contractual mortgage, assignment of rights to an insurance policy
2	Credit facility BANK 1	2011-04-13	347	WIBOR + margin	2021-04-12	joint contractual mortgage, assignment of rights to an insurance policy
3	Credit facility BANK 1	2013-05-23	10,833	WIBOR + margin	2021-12-31	joint contractual mortgage, assignment of rights to an insurance policy
4	Credit facility BANK 1	2016-10-25	30,814	WIBOR + margin	2024-10-24	joint contractual mortgage, assignment of rights to an insurance policy
5	Credit facility BANK 1	2016-10-25	91,765	WIBOR + margin	2025-04-24	joint contractual mortgage, assignment of rights to an insurance policy
6	Credit facility BANK 1	2019-02-11	64,000	WIBOR + margin	2026-08-11	joint contractual mortgage, assignment of rights to an insurance policy
7	Credit facility BANK 1	2020-02-07	145,700	WIBOR + margin	2023-11-06	joint contractual mortgage, assignment of rights to an insurance policy
8	Credit facility BANK 2	2018-02-19	51,296	WIBOR + margin	2023-02-18	joint contractual mortgage, assignment of rights to an insurance policy
9	Credit facility BANK 3	2013-11-22	1,038	WIBOR + margin	2023-10-31	joint contractual mortgage, assignment of rights to an insurance policy
10	Credit facility BANK 3	2012-03-08	1,513	WIBOR + margin	2021-12-31	joint contractual mortgage, assignment of rights to an insurance policy
11	Credit facility BANK 3	2014-01-09	8,955	WIBOR + margin	2023-11-30	joint contractual mortgage, assignment of rights to an insurance policy
12	Credit facility BANK 3	2015-04-17	10,897	WIBOR + margin	2025-03-31	joint contractual mortgage, assignment of rights to an insurance policy
13	Credit facility BANK 3	2016-08-16	2,721	WIBOR + margin	2021-07-30	joint contractual mortgage, assignment of rights to an insurance policy
14	Credit facility BANK 3	2016-11-04	-	WIBOR + margin	2022-10-06	joint contractual mortgage, assignment of rights to an insurance policy
15	Credit facility BANK 4	2020-04-03	38,050	WIBOR + margin	2025-04-02	joint contractual mortgage, assignment of rights to an insurance policy
16	Credit facility BANK 4	2018-08-09	30,000	WIBOR + margin	2023-08-08	joint contractual mortgage, assignment of rights to an insurance policy
17	Credit facility BANK 4	2019-08-08	64,500	WIBOR + margin	2024-07-21	joint contractual mortgage, assignment of rights to an insurance policy
18	Credit facility BANK 4	2018-08-09	-	WIBOR + margin	2021-08-08	joint contractual mortgage, assignment of rights to an insurance policy
19	Credit facility BANK 5	2014-04-15	-	WIBOR + margin	2022-04-14	joint contractual mortgage, assignment of rights to an insurance policy
20	Credit facility BANK 5	2014-04-15	12,506	WIBOR + margin	2022-04-14	joint contractual mortgage, assignment of rights to an insurance policy

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21	Credit facility BANK 5	2018-07-03	47,917	WIBOR + margin	2026-07-02	joint contractual mortgage, assignment of rights to an insurance policy
22	Credit facility BANK 5	2016-04-15	10,938	WIBOR + margin	2024-04-14	joint contractual mortgage, assignment of rights to an insurance policy
23	Credit facility BANK 5	2020-08-24	-	WIBOR + margin	2027-08-23	joint contractual mortgage, assignment of rights to an insurance policy
24	Credit facility BANK 6	2017-03-20	-	WIBOR + margin	2021-03-31	joint contractual mortgage, assignment of rights to an insurance policy
25	Credit facility BANK 6	2017-03-20	57,143	WIBOR + margin	2025-12-31	joint contractual mortgage, assignment of rights to an insurance policy
26	Credit facility BANK 6	2019-09-04	56,066	WIBOR + margin	2025-09-04	joint contractual mortgage, assignment of rights to an insurance policy
27	Credit facility BANK 7	2018-10-03	-	WIBOR + margin	2021-10-01	joint contractual mortgage, assignment of rights to an insurance policy, statement of submission to enforcement under art. 777 par. 1 item 5 of the Code of Civil Procedure
28	Borrowing	2016-02-24	155	WIBOR + margin	2021-02-28	bill of exchange
<b>TOTAL</b>			<b>737,154</b>			

\* 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.

## **19. CONTINGENT LIABILITIES, ALSO INCLUDING THE GUARANTEES AND SURETIES EXTENDED BY THE ENTITY, ALSO ON BILLS OF EXCHANGE**

As at 31 December 2021 the Company had the following contingent liabilities:

1. 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 the amount of PLN 16,137 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.
2. surety for amortization of an overdraft agreement drawn down by Agro-Rydzyna sp. z o.o., agreement of 13 November 2018 entered into with BGŻ BNP Paribas SA for the amount of PLN 35,000 thousand. The loan has a floating interest rate. The final date of repayment is 31 March 2023. 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 2 January 2020 entered into with PKO BP SA for the amount of PLN 50,000 thousand. The loan has a floating interest rate. The final date of repayment is 2 April 2023. The surety covers the principal, interest on the principal and other costs.
4. surety for amortization of an investment loan drawn down by Centrum Wynajmu Nieruchomości 4 S.A., agreement of 5 June 2020 entered into with PKO BP SA for the amount of PLN 50,000 thousand. The loan has a floating interest rate. The final date of repayment is 5 September 2023. The surety covers the principal, interest on the principal and other costs.
5. surety for amortization of an investment loan drawn down by Centrum Wynajmu Nieruchomości sp. z o.o., agreement of 14 December 2021 entered into with PKO BP SA for the amount of PLN 91,000 thousand. The loan has a floating interest rate. The final date of repayment is 2 July 2025. The surety covers the principal, interest on the principal and other costs. As at 31 December 2021 the loan was not originated.
6. surety for amortization of an investment loan drawn down by Centrum Wynajmu Nieruchomości 1 SA, agreement of 14 December 2021 entered into with PKO BP SA for the amount of PLN 91,000 thousand. The loan has a floating interest rate. The final date of repayment is 2 July 2025. The surety covers the principal, interest on the principal and other costs. As at 31 December 2021 the loan was not originated.

As at 31 December 2020 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. (mBank SA) for the amount of 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 the amount of PLN 16,137 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 the amount of 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 overdraft agreement drawn down by Agro-Rydzyna sp. z o.o., agreement of 13 November 2018 entered into with BGŻ BNP Paribas SA for the amount of PLN 35,000 thousand. The loan has a floating interest rate. The final date of repayment is 31 March 2021. The surety covers the principal, interest on the principal and other costs.
5. surety for amortization of an investment loan drawn down by Centrum Wynajmu Nieruchomości sp. z o.o., agreement of 2 January 2020 entered into with PKO BP SA for the amount of PLN 50,000 thousand. The loan has a floating interest rate. The final date of repayment is 2 April 2023. The surety covers the principal, interest on the principal and other costs.
6. surety for amortization of an investment loan drawn down by Centrum Wynajmu Nieruchomości 4 S.A., agreement of 05 June 2020 entered into with PKO BP SA for the amount of PLN 50,000 thousand. The loan has

a floating interest rate. The final date of repayment is 05 September 2023. The surety covers the principal, interest on the principal and other costs.

## 20. OTHER AGREEMENTS NOT INCORPORATED IN THE BALANCE SHEET

As at 31 December 2021 and as at 31 December 2020 the Company did not have any material off-balance sheet liabilities not disclosed in the financial statements.

## 21. SALES SPLIT BY NATURE AND TERRITORY

The sales revenue split by nature in 2021 and 2020 was as follows:

<i>Type of activity (in thousands of PLN)</i>	<i>01.01.2021-31.12.2021</i>	<i>01.01.2020-31.12.2020</i>
1. Sales of services	31,173	21,615
2. Sales of merchandise	13,308,139	10,094,224
<b>Net sales revenue, total</b>	<b>13,339,312</b>	<b>10,115,839</b>

All the sales revenues in the current and previous financial year were generated domestically.

## 22. IMPAIRMENT LOSSES FOR FIXED ASSETS

The Company did not take any impairment losses for fixed assets.

## 23. INTEREST AND FX GAINS AND LOSSES ADDED TO THE PRICE OF BUYING MERCHANDISE OR THE COST OF MANUFACTURING PRODUCTS IN THE FINANCIAL YEAR

In the financial year ending 31 December 2021 and in the previous year the Company did not add interest or FX gains and losses to the price of buying merchandise or the cost of manufacturing products.

## 24. INVENTORIES AT PURCHASE PRICE

<i>(in thousands of PLN)</i>	<i>31.12.2021</i>	<i>31.12.2020</i>
1. Materials	31,575	34,968
2. Merchandise	1,312,728	812,649
<b>Total inventories measured at the net sales price</b>	<b>1,344,303</b>	<b>847,617</b>

The Group allocates the relevant portion of the costs of delivering goods to points of sales to specify the purchase price of inventories in the Group's commercial facilities. The Company conducts a periodic inventory of inventories. To restate them at the end of the period the inventory provision is estimated. As at 31 December 2021, the value of this provision was PLN 36,640 thousand (PLN 27,035 thousand as at 31 December 2020). As at 31 December 2021, the Group established an impairment loss to the net sales price of PLN 1,980 thousand (PLN 6,908 thousand as at 31 December 2020).

## 25. INFORMATION CONCERNING REVENUES, EXPENSES AND THE RESULTS OF DISCONTINUED ACTIVITY IN THE FINANCIAL YEAR OR OF ACTIVITY THAT IS EXPECTED TO BE DISCONTINUED IN THE SUBSEQUENT YEAR

The Company did not discontinue any activity in the financial year, nor does it intend to discontinue any type of activity in the following year.

## 26. INCOME TAX

The reconciliation of profit before tax to taxable income is as follows:



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<i>(in thousands of PLN)</i>	<i>01.01.2021- 31.12.2021</i>	<i>01.01.2020- 31.12.2020</i>
<b>Gross profit (loss) for the year</b>	<b>730,598</b>	<b>578,460</b>
<b>Tax exempt revenues (permanent differences between profit/loss for accounting purposes and the profit/loss for taxation purposes) including:</b>	<b>-</b>	<b>-</b>
<b>Revenues not subject to taxation in the current year, including:</b>	<b>(28,174)</b>	<b>(30,567)</b>
- accrued interest	(398)	(4,187)
- foreign exchange gains	(310)	(30)
- revaluation of inventories in conjunction with measurement	1,388	9,947
- income for uninvoiced services	(27,315)	(35,877)
- discount of trade payables	(1,539)	(420)
<b>Revenues subject to taxation in the current year, recognized in the accounting ledgers of previous years, including:</b>	<b>9,992</b>	<b>2,926</b>
- interest on loan agreements / accrued interest	9,962	2,884
- foreign exchange gains	30	42
<b>Expenses not constituting tax-deductible expenses (permanent differences between profit/loss for accounting purposes and the profit/loss for taxation purposes) including:</b>	<b>5,799</b>	<b>5,305</b>
- other (including interest, donations, other costs)	5,799	5,305
<b>Expenses not recognized as tax-deductible expenses in the current year, including:</b>	<b>87,280</b>	<b>82,920</b>
- differences between depreciation for tax purposes and for balance sheet purposes	(34,773)	12,655
- provision for unused holiday leave and other employee benefits (including salaries / bonuses)	26,128	22,601
- social security contributions, payroll for November - December	42,134	31,600
- mandate contracts paid in the subsequent year	648	906
- lease installments	(19,342)	(33,884)
- provision for other expenses (including security services, energy costs, liabilities requiring safety deposits, revaluation of inventories pertaining, among other things, to the inventory provision)	69,619	46,973
- accrued interest, foreign exchange gains and losses	2,866	2,069
<b>Expenses recognized as tax-deductible expenses in the current year, recognized in the accounting ledgers of previous years, including:</b>	<b>(46,182)</b>	<b>(30,287)</b>
- provision for employee benefits / bonuses	(8,462)	(4,619)
- social security contributions, payroll for November - December	(31,549)	(23,434)
- mandate contracts paid in the subsequent year	(535)	(554)
- provision for other costs (including energy)	(3,029)	(1,346)
- other (including interest, foreign exchange gains and losses)	(2,607)	(334)
<b>Taxable income</b>	<b>759,313</b>	<b>608,757</b>
<b>Income deductions</b>	<b>3,430</b>	<b>926</b>
<b>Taxable income</b>	<b>755,883</b>	<b>607,831</b>
<b>Income tax</b>	<b>143,618</b>	<b>115,488</b>
<b>Other changes</b>	<b>591</b>	<b>465</b>
<b>Movement in the provision / deferred tax asset</b>	<b>(4,828)</b>	<b>(5,529)</b>
<b>Total income tax</b>	<b>139,381</b>	<b>110,424</b>

Regulations regarding VAT, corporate and personal income tax and social security contributions are subject to frequent changes. As a result, there is frequently no reference to entrenched regulations or legal precedents. The binding regulations also contain uncertainties resulting in differences in opinions regarding the legal interpretation of tax regulations between government authorities and between government authorities and companies. Tax settlements and others (e.g. customs or foreign currency related issues) may be subject to inspection by administrative authorities authorized to impose high penalties, and any additional liabilities assessed as a result of such an inspection must be paid together plus high interest. These conditions mean that the tax risk in Poland is higher than usually exists in countries with a more mature fiscal system. Tax settlements may be subject to inspection for five years. As a result, the amounts carried in the financial statements may be subject to change at a later date after they are ultimately determined by the tax authorities.

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Differences by virtue of the following form part of the provision / deferred tax asset:

<i>(in thousands of PLN)</i>	<i>Balance sheet</i>		<i>Statement of profit or loss for the year ended</i>	
	<i>31.12.2021</i>	<i>31.12.2020</i>	<i>31.12.2021</i>	<i>31.12.2020</i>
Temporary difference in the value of fixed assets	39,057	29,039	10,018	3,741
Accrued interest as at the balance sheet date	68	2,003	(1,935)	247
Income for uninvoiced services	22,059	16,869	5,190	6,817
Other (including foreign exchange gains)	188	5	183	(3)
<b>Deferred tax liability</b>	<b>61,372</b>	<b>47,916</b>	<b>13,456</b>	<b>10,802</b>
Provisions for retirement severance benefits	1,194	714	480	234
Provision for unused holiday leave	10,379	7,414	2,965	2,462
Provision for employee benefits / bonuses	1,520	1,607	(87)	730
Mandate contracts paid in the subsequent year	122	130	(8)	(20)
Social security contributions	8,002	5,994	2,008	1,542
Difference in measurement of inventories	37,058	25,649	11,409	9,734
Provision for auditing the financial statements	39	20	19	7
Accrued interest as at the balance sheet date	2,481	2,622	(141)	272
Provision for other costs	4,006	2,367	1,639	1,370
<b>Deferred tax assets</b>	<b>64,801</b>	<b>46,517</b>	<b>18,284</b>	<b>16,331</b>
<b>Deferred tax expense</b>			<b>(4,828)</b>	<b>(5,529)</b>

## 27. OTHER OPERATING INCOME

<i>(in thousands of PLN)</i>	<i>01.01.2021-31.12.2021</i>	<i>01.01.2020-31.12.2020</i>
Grants	34	202
Other operating income, including:	12,721	6,172
- reversal of impairment losses for receivables	36	3
- received payments for damages	5,958	894
- income for making timely payments (0.3%)	190	142
- revenues on the sales of PMEF certificates	18	144
- rounding	258	209
- other (including debit notes)	6,261	4,780
<b>Other operating income, total</b>	<b>12,755</b>	<b>6,374</b>

In 2021 the Company received damages on account of lost profits due to the blockage of fiscal printers and the inability to conduct sales in some stores on 2-3 January 2020.

## 28. OTHER OPERATING EXPENSES

<i>(in thousands of PLN)</i>	<i>01.01.2021-31.12.2021</i>	<i>01.01.2020-31.12.2020</i>
Loss on disposal of non-financial non-current assets, including:	4,836	2,325
- loss on the disposal of fixed assets and intangible assets	4,836	2,325
Other operating expenses, including:	6,375	3,161
- losses resulting from inventory shortages	657	915
- donations	3,652	874
- other	906	1,098
- written off receivables	1,160	274
<b>Other operating expenses, total</b>	<b>11,211</b>	<b>5,486</b>

In 2021 the Group donated PLN 2,890 thousand to hospitals to combat COVID-19.

## 29. FINANCIAL INCOME

<i>(in thousands of PLN)</i>	<i>01.01.2021-31.12.2021</i>	<i>01.01.2020-31.12.2020</i>
Interest, including:	4,309	5,627
- interest from related companies	4,257	5,255
- bank interest	52	372
Other, including:	1,448	3,150
- foreign exchange gains and losses	96	2,085
- mortgage collateral	1,352	1,063
- other financial income	-	2
<b>Financial income, total</b>	<b>5,757</b>	<b>8,777</b>

## 30. FINANCIAL EXPENSES

<i>(in thousands of PLN)</i>	<i>01.01.2021-31.12.2021</i>	<i>01.01.2020-31.12.2020</i>
Interest, including:	45,935	48,575
- interest paid to related companies	772	885
- interest on trade payables	24,407	19,983
- bank interest	12,275	15,692
- interest on lease agreements	616	1,708
- interest on bonds	7,812	6,859
- other interest	53	3,448
Other, including:	9,506	7,933
- other financial expenses (commissions, sureties)	9,506	7,933
<b>Financial expenses, total</b>	<b>55,441</b>	<b>56,508</b>

Interest on trade payables includes amounts charged for discounting them and interest on factoring

## 31. THE VALUE OF FOOD GIVEN TO NON-GOVERNMENTAL ORGANIZATIONS FOR THESE ORGANIZATIONS TO USE TO DISCHARGE THE TASKS FALLING WITHIN THE SCOPE PRESCRIBED BY ART. 2 ITEM 2 OF THE ACT OF 19 JULY 2019 ON MITIGATING THE WASTE OF FOOD (JOURNAL OF LAWS, ITEM 1980)

The value of food given to non-governmental organizations in 2021 was PLN 1,894 thousand (in 2020: PLN 103 thousand) and was recognized in the financial statements as an operating expense.

## 32. COST OF MANUFACTURING FIXED ASSETS UNDER CONSTRUCTION

<i>(in thousands of PLN)</i>	<i>Year ended</i> <i>31.12.2021</i>	<i>Year ended</i> <i>31.12.2020</i>
Cost of manufacturing fixed assets under construction, including:	23,848	19,418
- costs of the investment department	23,848	19,418

## 33. INCOME AND COSTS OF AN EXTRAORDINARY AMOUNT OR THAT OCCURRED INCIDENTALLY

In the financial year ending 31 December 2021 and in the previous year there were no extraordinary revenue or costs or that occurred incidentally.

### 34. COMPOSITION OF CASH IN THE STATEMENT OF CASH FLOWS

<i>(in thousands of PLN)</i>	<i>31.12.2021</i>	<i>31.12.2020</i>
<b>Cash in the bank</b>	<b>71,561</b>	<b>148,040</b>
- current accounts	71,561	148,040
<b>Cash on hand</b>	<b>46,112</b>	<b>32,573</b>
<b>Other cash</b>	<b>262,596</b>	<b>243,032</b>
- current deposits	248,455	228,460
- cash <i>en route</i>	14,141	14,572
<b>Cash, total</b>	<b>380,269</b>	<b>423,645</b>

The cash on VAT accounts is restricted cash. As at 31 December 2021 the amount of this cash was PLN 326 thousand (PLN 1 thousand in 2020).

### 35. REASONS FOR DIFFERENCES BETWEEN THE BALANCE SHEET MOVEMENTS IN SOME LINE ITEMS AND THE MOVEMENTS FOLLOWING FROM THE STATEMENT OF CASH FLOWS

<i>Interest and profit sharing (in thousands of PLN)</i>	<i>01.01.2021-31.12.2021</i>	<i>01.01.2020-31.12.2020</i>
Result on financing activity for interest	41,626	42,948
Financial expenses - commissions and sureties received	24,726	6,003
<b>Interest and profit sharing in the statement of cash flows</b>	<b>66,352</b>	<b>48,951</b>

<i>Receivables (in thousands of PLN)</i>	<i>01.01.2021-31.12.2021</i>	<i>01.01.2020-31.12.2020</i>
Balance sheet movement in net non-current and current receivables	(56,711)	(42,072)
Movement in receivables on the sale of fixed assets	18,029	(88)
<b>Movement in receivables in the statement of cash flows</b>	<b>(38,682)</b>	<b>(42,160)</b>

<i>Liabilities (in thousands of PLN)</i>	<i>01.01.2021-31.12.2021</i>	<i>01.01.2020-31.12.2020</i>
Balance sheet movement of current and non-current liabilities	953,741	576,683
Balance sheet movement of current and non-current loans and borrowings	121,830	(152,631)
Movement in finance lease liabilities	29,117	41,329
Movement in liabilities for the fees for received sureties	(7,807)	1,025
Movement in settlements on the purchase of fixed assets	(44,301)	(23,146)
Movement in bonds	(200,000)	(150,000)
<b>Movement in liabilities in the statement of cash flows</b>	<b>852,580</b>	<b>293,260</b>

### 36. INFORMATION CONCERNING HEADCOUNT WITH A BREAKDOWN INTO OCCUPATIONAL GROUPS

<i>Group of employees</i>	<i>Year ended 31.12.2021</i>	<i>Year ended 31.12.2020</i>
Management Board	3	3
White-collar employees	2,382	1,695
Blue-collar employees	28,137	22,444
<b>Headcount, total</b>	<b>30,522</b>	<b>24,142</b>

### 37. INFORMATION ON THE AUDIT FIRM'S FEES

The table below presents the fee charged by the entity authorized to audit the financial statements paid or due for the year ended 31 December 2021 and 31 December 2020 split by the types of services:

<i>Type of services (in thousands of PLN)</i>	<i>Year ended</i> <b>31.12.2021</b>	<i>Year ended</i> <b>31.12.2020</b>
Obligatory audit of the annual financial statements	295	224
Review of the interim financial statements	110	71
Other services*	-	-
Tax advisory services	-	-
<b>Total, including:</b>	<b>405</b>	<b>295</b>
<b>- due as at the balance sheet date</b>	<b>205</b>	<b>104</b>
<b>- paid as at the balance sheet date</b>	<b>200</b>	<b>191</b>

### 38. INFORMATION CONCERNING COMPENSATION, INCLUDING COMPENSATION FROM PROFIT AND PENSION BENEFITS PAID OR DUE TO PERSONS IN THE MANAGING AND SUPERVISING OR ADMINISTERING BODIES

The compensation of the persons in the Company's managing and supervising or administering bodies was as follows:

<i>Employee benefits</i> <i>(in thousands of PLN)</i>	<i>Year ended</i> <i>31.12.2021</i>	<i>Year ended</i> <i>31.12.2020</i>
Company's Management Board	1,635	2,801
Supervisory Board	346	369
<b>Compensation, total</b>	<b>1,981</b>	<b>3,170</b>

Mr. Szymon Piduch received additional compensation of PLN 162 thousand for advisory services in the period from July to December 2020 and PLN 107 thousand in 2021.

### 39. INFORMATION ABOUT LOANS AND BENEFITS OF A SIMILAR NATURE EXTENDED TO PERSONS IN THE MANAGING AND SUPERVISING OR ADMINISTERING BODIES

In the financial year ending 31 December 2021 and in the previous year the Company did not extend any loans or benefits of a similar nature to persons in the managing and supervising or administering bodies.

### 40. INFORMATION ABOUT JOINT VENTURES NOT SUBJECT TO CONSOLIDATION

The Company did not undertake any joint ventures not subject to consolidation.

### 41. INFORMATION ABOUT THE GROUP AND TRANSACTIONS WITH RELATED ENTITIES

#### 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) 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:

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*"Agro-Rydzyna" spółka z ograniczoną odpowiedzialnością*

<i>(in thousands of PLN)</i>	<i>Year ended</i>	<i>Year ended</i>
	<i>31.12.2021</i>	<i>31.12.2020</i>
	<i>Total</i>	<i>Total</i>
Purchases	1,522,317	1,241,246
Sales	14,438	5,217
Other sales	17,794	-
	<i>31.12.2021</i>	<i>31.12.2020</i>
	<i>Total</i>	<i>Total</i>
Receivables on account of goods, work and services	3,571	5
Payables on account of goods, work and services	409,496	266,402
Other receivables	21,887	3

*Centrum Wynajmu Nieruchomości spółka z ograniczoną odpowiedzialnością*

<i>(in thousands of PLN)</i>	<i>Year ended</i>	<i>Year ended</i>
	<i>31.12.2021</i>	<i>31.12.2020</i>
	<i>Total</i>	<i>Total</i>
Purchases	42,119	36,495
Sales	1,703	1,720
Sales - sureties	677	675
Interest – financial income	2,250	1,855
	<i>31.12.2021</i>	<i>31.12.2020</i>
	<i>Total</i>	<i>Total</i>
Receivables on account of goods, work and services	506	591
Payables on account of goods, work and services	6,623	685
Loans granted	147,315	56,107
Loans received	-	1,571
Receivables for mortgage sureties	338	675
Other payables	5,011	2,044

*Centrum Wynajmu Nieruchomości I S.A.*

<i>(in thousands of PLN)</i>	<i>Year ended</i>	<i>Year ended</i>
	<i>31.12.2021</i>	<i>31.12.2020</i>
	<i>Total</i>	<i>Total</i>
Purchases	27,923	15,897
Sales	78	19
Other sales	3	-
Interest - financial expenses	-	290
Interest – financial income	1,135	224
	<i>31.12.2021</i>	<i>31.12.2020</i>
	<i>Total</i>	<i>Total</i>
Receivables on account of goods, work and services	6	7
Payables on account of goods, work and services	10,214	-
Loans granted	5,041	34,719
Loans received	-	99
Other receivables	3	-
Other payables	99	-

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*Centrum Wynajmu Nieruchomości 2 S.A.*

<i>(in thousands of PLN)</i>	<i>Year ended</i>	<i>Year ended</i>
	<i>31.12.2021</i>	<i>31.12.2020</i>
	<i>Total</i>	<i>Total</i>
Purchases	16,889	15,987
Sales	38	14
Interest – financial income	67	338
	<i>31.12.2021</i>	<i>31.12.2020</i>
	<i>Total</i>	<i>Total</i>
<i>(in thousands of PLN)</i>		
Receivables on account of goods, work and services	14	4
Payables on account of goods, work and services	4,679	1,557
Loans granted	-	7,094
Loans received	-	1,522
Other payables	646	-

*Centrum Wynajmu Nieruchomości 3 S.A.*

<i>(in thousands of PLN)</i>	<i>Year ended</i>	<i>Year ended</i>
	<i>31.12.2021</i>	<i>31.12.2020</i>
	<i>Total</i>	<i>Total</i>
Purchases	14,875	14,213
Sales	21	14
Interest - financial expenses	153	-
	<i>31.12.2021</i>	<i>31.12.2020</i>
	<i>Total</i>	<i>Total</i>
<i>(in thousands of PLN)</i>		
Receivables on account of goods, work and services	5	4
Payables on account of goods, work and services	4,178	2,592
Loans received	-	6,052
Other payables	558	-

*Centrum Wynajmu Nieruchomości 4 S.A.*

<i>(in thousands of PLN)</i>	<i>Year ended</i>	<i>Year ended</i>
	<i>31.12.2021</i>	<i>31.12.2020</i>
	<i>Total</i>	<i>Total</i>
Purchases	28,449	22,702
Sales	59	22
Sales - sureties	675	388
Interest – financial income	202	1,750
	<i>31.12.2021</i>	<i>31.12.2020</i>
	<i>Total</i>	<i>Total</i>
<i>(in thousands of PLN)</i>		
Receivables on account of goods, work and services	5	6
Payables on account of goods, work and services	8,728	7,201
Loans granted	-	17,426
Loans received	38	1,053
Receivables for mortgage sureties	115	226
Other receivables	-	1
Other payables	760	-

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*Centrum Wynajmu Nieruchomości 5 S.A.*

<i>(in thousands of PLN)</i>	<i>Year ended</i>	<i>Year ended</i>
	<i>31.12.2021</i>	<i>31.12.2020</i>
	<i>Total</i>	<i>Total</i>
Purchases	13,430	12,785
Sales	25	14
Interest - financial expenses	263	193
	<i>31.12.2021</i>	<i>31.12.2020</i>
	<i>Total</i>	<i>Total</i>
Receivables on account of goods, work and services	5	4
Payables on account of goods, work and services	3,799	1,223
Loans received	-	10,617
Other payables	499	-

*Centrum Wynajmu Nieruchomości 6 S.A.*

<i>(in thousands of PLN)</i>	<i>Year ended</i>	<i>Year ended</i>
	<i>31.12.2021</i>	<i>31.12.2020</i>
	<i>Total</i>	<i>Total</i>
Purchases	15,553	14,816
Sales	26	14
Interest - financial expenses	106	-
Interest – financial income	-	29
	<i>31.12.2021</i>	<i>31.12.2020</i>
	<i>Total</i>	<i>Total</i>
Receivables on account of goods, work and services	5	4
Payables on account of goods, work and services	1,506	4,204
Loans granted	-	5
Loans received	-	3,314
Other payables	488	-

*PIK Finanse spółka z ograniczoną odpowiedzialnością*

<i>(in thousands of PLN)</i>	<i>Year ended</i>	<i>Year ended</i>
	<i>31.12.2021</i>	<i>31.12.2020</i>
	<i>Total</i>	<i>Total</i>
Sales	12	14
	<i>31.12.2021</i>	<i>31.12.2020</i>
	<i>Total</i>	<i>Total</i>
Receivables on account of goods, work and services	5	3
Loans received	10,775	10,896
Other receivables	-	5



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*Dino Krotoszyn spółka z ograniczoną odpowiedzialnością*

<i>(in thousands of PLN)</i>	<i>Year ended 31.12.2021</i>	<i>Year ended 31.12.2020</i>
	<i>Total</i>	<i>Total</i>
Purchases	25,472	23,879
Sales	109	133
Interest - financial expenses	250	402
	<i>31.12.2021</i>	<i>31.12.2020</i>
	<i>Total</i>	<i>Total</i>
Receivables on account of goods, work and services	26	38
Payables on account of goods, work and services	12,414	8,303
Loans granted	33	-
Loans received	10,000	10,423

*Dino Oil spółka z ograniczoną odpowiedzialnością*

<i>(in thousands of PLN)</i>	<i>Year ended 31.12.2021</i>	<i>Year ended 31.12.2020</i>
	<i>Total</i>	<i>Total</i>
Purchases	-	8
Sales	8	7
Interest – financial income	25	4
	<i>31.12.2021</i>	<i>31.12.2020</i>
	<i>Total</i>	<i>Total</i>
Receivables on account of goods, work and services	2	2
Loans granted	2,004	-

*Dino Północ spółka z ograniczoną odpowiedzialnością*

<i>(in thousands of PLN)</i>	<i>Year ended 31.12.2021</i>	<i>Year ended 31.12.2020</i>
	<i>Total</i>	<i>Total</i>
Sales	-	3
	<i>31.12.2021</i>	<i>31.12.2020</i>
	<i>Total</i>	<i>Total</i>
Receivables on account of goods, work and services	38	38

*Dino Południe spółka z ograniczoną odpowiedzialnością*

<i>(in thousands of PLN)</i>	<i>Year ended 31.12.2021</i>	<i>Year ended 31.12.2020</i>
	<i>Total</i>	<i>Total</i>
Purchases	65,618	52,166
Sales	184	233
Interest – financial income	578	1,055
	<i>31.12.2021</i>	<i>31.12.2020</i>
	<i>Total</i>	<i>Total</i>
Receivables on account of goods, work and services	42	65
Payables on account of goods, work and services	20,132	11,788
Loans granted	-	29,689

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*Dino Najbliżej Ciebie Foundation*

<i>(in thousands of PLN)</i>	<i>Year ended 31.12.2021</i>	<i>Year ended 31.12.2020</i>
	<i>Total</i>	<i>Total</i>
Sales	2	2

The amount of transactions with other parties related through people was:

*Agrofirma Spółdzielcza*

<i>(in thousands of PLN)</i>	<i>Year ended 31.12.2021</i>	<i>Year ended 31.12.2020</i>
	<i>Total</i>	<i>Total</i>
Purchases	221	195
Sales	14	10

<i>(in thousands of PLN)</i>	<i>31.12.2021</i>	<i>31.12.2020</i>
	<i>Total</i>	<i>Total</i>
Payables on account of goods, work and services	6	-

*TBE spółka z ograniczoną odpowiedzialnością*

<i>(in thousands of PLN)</i>	<i>Year ended 31.12.2021</i>	<i>Year ended 31.12.2020</i>
	<i>Total</i>	<i>Total</i>
Sales	5	5

<i>(in thousands of PLN)</i>	<i>31.12.2021</i>	<i>31.12.2020</i>
	<i>Total</i>	<i>Total</i>
Receivables on account of goods, work and services	-	1

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

<i>(in thousands of PLN)</i>	<i>Year ended 31.12.2021</i>	<i>Year ended 31.12.2020</i>
	<i>Total</i>	<i>Total</i>
Purchases	633,497	407,823
Sales	1,644	857
Other sales	9	-

<i>(in thousands of PLN)</i>	<i>31.12.2021</i>	<i>31.12.2020</i>
	<i>Total</i>	<i>Total</i>
Receivables on account of goods, work and services	491	334
Payables on account of goods, work and services	36	25
Other receivables	-	17
Other payables	174,681	249

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

<i>(in thousands of PLN)</i>	<i>Year ended 31.12.2021</i>	<i>Year ended 31.12.2020</i>
	<i>Total</i>	<i>Total</i>
Purchases	35,559	22,691
Sales	4	36

<i>(in thousands of PLN)</i>	<i>31.12.2021</i>	<i>31.12.2020</i>
	<i>Total</i>	<i>Total</i>
Payables on account of goods, work and services	7,172	1,463
Other payables	1,257	119,699

#### 42. TRANSACTIONS WITH OTHER RELATED PARTIES ON A NON-ARM'S LENGTH BASIS

Transactions concluded by the Company with its related entities in the year ended 31 December 2021 and in the preceding year were concluded on an arm's length basis.

#### 43. LIST OF ENTITIES IN WHICH THE COMPANY IS A SHAREHOLDER INCURRING UNLIMITED MATERIAL LIABILITY

In the financial year ended 31 December 2021 and in the previous year the Company was not a shareholder incurring unlimited material liability in any entity.

#### 44. LIST OF ENTITIES IN WHICH THE COMPANY HOLDS CAPITAL OR VOTES IN THE ENTITY'S DECISION-MAKING BODY

##### 31 December 2021

Name of the entity	Registered office	Carrying value of the ownership interest / shares	Share in equity (%)	Net profit (loss) for the year ended 31 December 2021	Equity as at 31 December 2021
"Agro-Rydzyzna" sp. z o.o.	Poland, Kłoda	99,771	100%	97,018	335,969
Centrum Wynajmu Nieruchomości sp. z o.o.	Poland, Krotoszyn	28,451	100%	17,409	88,342
Dino Krotoszyn sp. z o.o.	Poland, Krotoszyn	4,000	100%	9,697	53,117
Dino Najbliżej Ciebie Foundation*	Poland, Krotoszyn	10	100%	-	-
Dino Oil sp. z o.o.*	Poland, Krotoszyn	5	100%	185	752
Dino Południe sp. z o.o.	Poland, Krotoszyn	10,005	100%	20,099	50,367
Dino Północ sp. z o.o.*	Poland, Krotoszyn	5	100%	(1)	(39)
Centrum Wynajmu Nieruchomości 1 S.A.	Poland, Krotoszyn	139,061	99%	20,250	195,510
Centrum Wynajmu Nieruchomości 2 S.A.	Poland, Krotoszyn	91,195	99%	10,089	145,146
Centrum Wynajmu Nieruchomości 3 S.A.	Poland, Krotoszyn	90,147	99%	9,156	140,497
Centrum Wynajmu Nieruchomości 4 S.A.	Poland, Krotoszyn	99,944	99%	14,810	156,147
Centrum Wynajmu Nieruchomości 5 S.A.	Poland, Krotoszyn	98,198	99%	9,030	146,681
Centrum Wynajmu Nieruchomości 6 S.A.	Poland, Krotoszyn	94,839	99%	9,442	143,058
PIK Finanse sp. z o.o.*	Poland, Krotoszyn	200	100%	1,313	11,745

##### 31 December 2020

Name of the entity	Registered office	Carrying value of the ownership interest / shares	Share in equity (%)	Net profit / (loss) for the year ended 31 December 2020	Equity as at 31 December 2020
"Agro-Rydzyzna" sp. z o.o.	Poland, Kłoda	99,771	100%	84,914	238,952
Centrum Wynajmu Nieruchomości sp. z o.o.	Poland, Krotoszyn	28,451	100%	12,786	70,933
Dino Krotoszyn sp. z o.o.	Poland, Krotoszyn	4,000	100%	8,110	43,419
Dino Najbliżej Ciebie Foundation*	Poland, Krotoszyn	10	100%	-	-
Dino Oil sp. z o.o.*	Poland, Krotoszyn	5	100%	420	566
Dino Południe sp. z o.o.	Poland, Krotoszyn	10,005	100%	10,239	30,348
Dino Północ sp. z o.o.*	Poland, Krotoszyn	5	100%	(5)	(38)
Centrum Wynajmu Nieruchomości 1 S.A.	Poland, Krotoszyn	139,061	99%	12,089	175,260
Centrum Wynajmu Nieruchomości 2 S.A.	Poland, Krotoszyn	91,195	99%	9,276	135,057
Centrum Wynajmu Nieruchomości 3 S.A.	Poland, Krotoszyn	90,147	99%	8,674	131,341
Centrum Wynajmu Nieruchomości 4 S.A.	Poland, Krotoszyn	99,944	99%	11,857	141,337
Centrum Wynajmu Nieruchomości 5 S.A.	Poland, Krotoszyn	98,198	99%	8,678	137,651
Centrum Wynajmu Nieruchomości 6 S.A.	Poland, Krotoszyn	94,839	99%	8,855	133,616
PIK Finanse sp. z o.o.*	Poland, Krotoszyn	200	100%	566	10,431

\* Company not subject to audit by a statutory auditor

The percentage of voting rights corresponds to the shareholding in the share capital.

#### 45. AVOIDANCE OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The Company prepares consolidated financial statements.

#### 46. MERGER OF COMMERCIAL COMPANIES

The company did not merge with other entities during the financial year ending 31 December 2021 and the previous year.

#### 47. FINANCIAL INSTRUMENTS

##### 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.

##### *Liquidity risk*

The Company monitors the liquidity risk using a periodic liquidity planning tool. The tool takes into account the maturities of both investments and financial assets (e.g. the amount of receivables, other financial assets) and projected cash flows from operating activities.

The Company aims to maintain a balance between continuity and flexibility of financing by using different financing sources, such as overdrafts, bank loans, other loans, bond issues, lease contracts and reverse factoring. The Company utilizes reverse factoring agreements in reference to its liabilities to manage liquidity whereby it submits invoices for purchases from selected suppliers for the purpose of factoring. The Company mitigates the liquidity risk ensuing from the usage of reverse factoring agreements by collaborating with several factors and maintaining unused factoring limits.

##### *Interest rate risk*

The Company's exposure to market risk caused by volatility of interest rates concerns primarily received loans and concluded lease contracts. The Company does not hedge its investment portfolio using financial derivatives.

##### *Foreign exchange risk*

Since a predominant part of the revenues and costs is on Polish zloty, the Company is not exposed to any material foreign exchange risk on account of its transactions.

##### *Credit risk*

Due to the nature of the Company (predominant part of the turnover is in cash) credit risk is insignificant. The Company does not use and hedging against credit risk. Potential credit risk pertains to trade receivables and granted loans, including loans granted to subsidiaries which, as at 31 December 2021, amount to PLN 154,393 thousand.

##### *Interest income and costs following from concluded contracts*

The table below presents the interest income and costs following from concluded contracts and pertaining to all of the Company's financial instruments, which were in the financial statements.

#### Year ended 31 December 2021

<i>Financial asset / liability category (in thousands of PLN)</i>	<i>Realized interest</i>	<i>Accrued interest (unrealized)</i>		
		<i>up to 3 months</i>	<i>from 3 to 12 months</i>	<i>over 12 months</i>
Granted loans and own receivables	450	3,859	-	-
Liabilities held for trading	24,407	-	-	-
Other current financial liabilities	18,899	2,629	-	-

#### Year ended 31 December 2020

<i>Financial asset / liability category (in thousands of PLN)</i>	<i>Realized interest</i>	<i>Accrued interest (unrealized)</i>		
		<i>up to 3 months</i>	<i>from 3 to 12 months</i>	<i>over 12 months</i>
Granted loans and own receivables	4,558	1,068	-	-
Liabilities held for trading	19,983	-	-	-
Other current financial liabilities	27,482	1,110	-	-

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*Description of financial instruments*

	<i>Financial assets held to maturity</i>	<i>Granted loans and own receivables</i>	<i>Financial assets held for trading</i>	<i>Financial assets available for sale</i>	<i>Other financial liabilities</i>
Quantity of financial instruments	5	8	-	-	185
Value of financial instruments	262,596	154,393	-	-	1,268,701
Material terms and dates, which may influence the size, time distribution and certainty of future cash flows	Current bank term deposits	Loans granted for up to one year, fixed interest rate			Current financing loans received from related entities for up to 4 years, fixed interest rate. Operating and financial lease agreements entered into with, among others, ING Leasing, BRE Leasing, PKO Leasing, Santander Leasing - agreements concluded for a term from 2 to 5 years. Loan agreements (notes 11, 18) Outstanding bonds bearing interest at a floating-rate plus margin.

**31 December 2020**

	<i>Financial assets held to maturity</i>	<i>Granted loans and own receivables</i>	<i>Financial assets held for trading</i>	<i>Financial assets available for sale</i>	<i>Other financial liabilities</i>
Quantity of financial instruments	5	38	-	-	460
Value of financial instruments	228,460	145,040	-	-	1,207,872
Material terms and dates, which may influence the size, time distribution and certainty of future cash flows	Current bank term deposits	Loans granted for up to one year, fixed interest rate			Current financing loans received from related entities for up to 4 years, fixed interest rate. Operating and financial lease agreements entered into with, among others, ING Leasing, BRE Leasing, PKO Leasing, Santander Leasing - agreements concluded for a term from 2 to 5 years. Loan agreements (notes 11, 18) Outstanding bonds bearing interest at a floating-rate plus margin.

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**Fair value**

The Company believes that the carrying amounts of all the financial instruments presented in the financial statements are no different from their fair values.

<i>(in thousands of PLN)</i>	<i>Carrying amount</i>	
	<b>31.12.2021</b>	<b>31.12.2020</b>
Cash	380,269	423,645
Trade receivables	86,007	48,640
Other financial assets (non-current)	755,831	755,831
<b>Total financial assets</b>	<b>1,222,107</b>	<b>1,228,116</b>
Trade payables	1,421,547	944,298
Trade payables in factoring, including supplier finance programs	924,631	601,969
Liabilities under finance lease agreements and hire-purchase agreements	21,680	50,797
Loans and borrowings based on a floating interest rate	625,379	736,209
Bonds	621,642	420,866
<b>Total financial liabilities</b>	<b>3,614,879</b>	<b>2,754,139</b>

**48. EVENTS AFTER THE REPORTING PERIOD**

On 14 February 2022 the Management Board of Dino Polska S.A. made the decision to commence the construction of the Company's new distribution center in the town of Kaliska in the Kujawy and Pomeranian Region. In connection with this investment 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 of this distribution center will be roughly 45 thousand square meters. The (net) estimated investment expenditures are approximately PLN 130 million and 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 expects to complete the investment project at the turn of 2022 and 2023.

On 23 February 2022 Mr. Michał Muskała, in consultation with the Company's Management Board and Supervisory Board, tendered his resignation from serving in the capacity of a Management Board member of Dino Polska S.A. with effect as of the moment of its submission. Michał Muskała justified his resignation by the need to focus on his work as a Management Board Member in Dino Polska S.A.'s subsidiaries responsible for the investment processes of the Dino Polska Group, especially for the construction of distribution centers. Michał Muskała will continue to serve in the capacity of a Management Board Member in the following companies belonging to the Dino Polska Group: Centrum Wynajmu Nieruchomości Sp. z o.o., Centrum Wynajmu Nieruchomości 1 S.A., Centrum Wynajmu Nieruchomości 2 S.A., Centrum Wynajmu Nieruchomości 3 S.A., Centrum Wynajmu Nieruchomości 4 S.A., Centrum Wynajmu Nieruchomości 5 S.A., Centrum Wynajmu Nieruchomości 6 S.A.

In connection with the political and economic situation in Ukraine the Company's Management Board analyzes its impact on the Company's business on an ongoing basis. As of the date of publishing the financial statements no material threat to the Company's business has been identified.

In the opinion of the Management Board, there were no other material events after the balance sheet date requiring disclosure in the financial statements.