

*DINO POLSKA S.A. GROUP*

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE 6-MONTH PERIOD ENDED 30 JUNE 2022  
WITH THE INDEPENDENT AUDITOR'S REPORT ON ITS REVIEW**

Unofficial translation. Only the Polish version is binding.

*DINO POLSKA S.A. GROUP*

Interim condensed consolidated financial statements for the 6-month period ended 30 June 2022 prepared in accordance with the International Financial Reporting Standards approved for application in the EU  
(in thousand PLN)

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**FINANCIAL HIGHLIGHTS**

	<i>PLN 000s</i>		<i>EUR 000s*</i>	
	<i>01.01.2022- 30.06.2022</i>	<i>01.01.2021- 30.06.2021</i>	<i>01.01.2022- 30.06.2022</i>	<i>01.01.2021- 30.06.2021</i>
Sales revenue	8,740,937	6,011,032	1,882,727	1,321,919
Operating profit	640,566	438,429	137,973	96,417
Profit before tax	577,284	418,066	124,342	91,939
Net profit	464,513	341,009	100,052	74,993
Number of shares	98,040,000	98,040,000	98,040,000	98,040,000
Basic / diluted earnings per share in PLN, EUR	4.74	3.48	1.02	0.76
Cash flow from operating activities	448,881	528,477	96,685	116,220
Cash flow from investing activities	(723,956)	(708,895)	(155,934)	(155,897)
Cash flow from financing activities	9,620	(96,211)	2,072	(21,158)
Net change in cash and cash equivalents	(265,455)	(276,629)	(57,177)	(60,835)

\*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 for H1 2022: PLN 4.6427/EUR;
- NBP's average exchange rate for H1 2021: PLN 4.5472/EUR;

	<i>PLN 000s</i>		<i>EUR 000s*</i>	
	<i>30.06.2022</i>	<i>31.12.2021</i>	<i>30.06.2022</i>	<i>31.12.2021</i>
Total assets	7,656,094	7,168,531	1,635,708	1,558,580
Total non-current assets	5,769,518	5,183,347	1,232,645	1,126,962
Total current assets	1,886,576	1,985,184	403,063	431,618
Equity	3,534,703	3,070,190	755,182	667,520
Share capital	9,804	9,804	2,095	2,132
Non-current liabilities	1,225,429	1,092,804	261,810	237,597
Current liabilities	2,895,962	3,005,537	618,716	653,463

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

- NBP's average exchange rate as at 30 June 2022: 4.6806 PLN/EUR;
- NBP's average exchange rate as at 31 December 2021: 4.5994 PLN/EUR

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS**

<i>(in thousands of PLN)</i>	<i>Note</i>	<b>01.01.2022- 30.06.2022</b>	<b>01.01.2021- 30.06.2021</b>	<b>01.04.2022- 30.06.2022</b>	<b>01.04.2021- 30.06.2021</b>
		<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>
Sales revenue	8	8,740,937	6,011,032	4,886,680	3,250,332
Cost of sales	10.1	<u>(6,579,872)</u>	<u>(4,497,778)</u>	<u>(3,702,931)</u>	<u>(2,441,490)</u>
<b>Gross profit on sales</b>		<b>2,161,065</b>	<b>1,513,254</b>	<b>1,183,749</b>	<b>808,842</b>
Other operating income	10.2	5,383	4,157	3,106	2,399
Sales and marketing expenses	10.1	(1,456,312)	(1,022,285)	(775,683)	(531,620)
General administration expenses	10.1	(64,031)	(50,964)	(30,200)	(25,655)
Other operating expenses	10.3	<u>(5,539)</u>	<u>(5,733)</u>	<u>(3,260)</u>	<u>(3,302)</u>
<b>Operating profit</b>		<b>640,566</b>	<b>438,429</b>	<b>377,712</b>	<b>250,664</b>
Financial income	10.4	1,292	644	832	451
Financial expenses	10.5	<u>(64,574)</u>	<u>(21,007)</u>	<u>(36,375)</u>	<u>(10,385)</u>
<b>Profit before tax</b>		<b>577,284</b>	<b>418,066</b>	<b>342,169</b>	<b>240,730</b>
Income tax	11	<u>(112,771)</u>	<u>(77,057)</u>	<u>(69,031)</u>	<u>(44,556)</u>
<b>Net profit</b>		<b>464,513</b>	<b>341,009</b>	<b>273,138</b>	<b>196,174</b>
Profit attributable:					
To owners of the parent		464,513	341,009	273,138	196,174
Non-controlling shareholders		-	-	-	-
Earnings per share:					
– basic earnings from profit attributable to owners of the parent		4.74	3.48	2.79	2.00
– basic earnings from profit from continuing operations attributable to owners of the parent		4.74	3.48	2.79	2.00
– diluted earnings from profit attributable to owners of the parent		4.74	3.48	2.79	2.00
– diluted earnings from profit from continuing operations attributable to owners of the parent		4.74	3.48	2.79	2.00

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

<i>(in thousands of PLN)</i>	<i>01.01.2022- 30.06.2022</i>	<i>01.01.2021- 30.06.2021</i>	<i>01.04.2022- 30.06.2022</i>	<i>01.04.2021- 30.06.2021</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>
<b>Net profit for the reporting period</b>	<b>464,513</b>	<b>341,009</b>	<b>273,138</b>	<b>196,174</b>
<i>Items not subject to reclassification to profit in subsequent reporting periods:</i>				
<b>Net other comprehensive income not subject to reclassification to profit/(loss) in subsequent reporting periods</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Comprehensive income in the reporting period</b>	<b>464,513</b>	<b>341,009</b>	<b>273,138</b>	<b>196,174</b>
Comprehensive income attributable:				
To owners of the parent	464,513	341,009	273,138	196,174
Non-controlling shareholders	-	-	-	-
	<b>464,513</b>	<b>341,009</b>	<b>273,138</b>	<b>196,174</b>

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION****as at 30 June 2022**

<i>(in thousands of PLN)</i>	<i>Note</i>	<b>30.06.2022</b>	<b>31.12.2021</b>
		<i>(unaudited)</i>	
<b>ASSETS</b>			
Property, plant and equipment	12	5,515,433	4,911,353
Right-of-use assets	13	131,559	139,931
Intangible assets	14	96,119	96,947
Other non-financial assets		-	-
Deferred tax assets	11	26,407	35,116
<b>Total non-current assets</b>		<b>5,769,518</b>	<b>5,183,347</b>
Inventories	16	1,532,394	1,373,463
Trade and other receivables		135,328	144,012
Income tax receivables		-	55
Other non-financial assets		64,218	47,712
Other financial assets		1,476	1,327
Cash and cash equivalents	19.5	153,160	418,615
<b>Total current assets</b>		<b>1,886,576</b>	<b>1,985,184</b>
<b>TOTAL ASSETS</b>		<b>7,656,094</b>	<b>7,168,531</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity (attributable to owners of the parent)</b>		<b>3,534,703</b>	<b>3,070,190</b>
Share capital		9,804	9,804
Supplementary capital		3,512,021	2,707,720
Retained earnings		5,378	345,166
Other equity		7,500	7,500
<b>Non-controlling interests</b>		<b>-</b>	<b>-</b>
<b>Total equity</b>		<b>3,534,703</b>	<b>3,070,190</b>
Interest-bearing loans and borrowings	18	713,400	583,014
Lease liabilities	18	36,514	46,621
Liabilities by virtue of outstanding securities	18	450,000	450,000
Other liabilities		120	150
Provisions for employee benefits	17	4,827	4,827
Deferred tax liability	11	20,566	8,187
Accruals and deferred revenue		2	5
<b>Total non-current liabilities</b>		<b>1,225,429</b>	<b>1,092,804</b>
Trade and other payables		2,429,864	2,454,051
Current part of interest-bearing loans and borrowings	18	324,645	196,169
Lease liabilities	18	25,316	27,721
Liabilities by virtue of outstanding securities	18	6,496	171,642
Income tax liabilities		24,249	93,017
Accruals and deferred revenue		83,448	60,993
Provisions for employee benefits	17	1,944	1,944
<b>Total current liabilities</b>		<b>2,895,962</b>	<b>3,005,537</b>
<b>Total liabilities</b>		<b>4,121,391</b>	<b>4,098,341</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>7,656,094</b>	<b>7,168,531</b>

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(in thousand PLN)

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

### for the 6-month period ended 30 June 2022

<i>(in thousands of PLN)</i>	<i>Note</i>	<b>01.01.2022- 30.06.2022</b>	<b>01.01.2021- 30.06.2021</b>
		<i>(unaudited)</i>	<i>(unaudited)</i>
<b>Cash flow from operating activities</b>			
<i>Profit before tax</i>		577,284	418,066
<i>Adjustments for the line items:</i>			
Depreciation and amortization		(128,403)	110,411
(Profit)/loss on investment activity		142,856	114,264
Movement in trade receivables and other receivables	19.5	4,221	2,786
Movement in inventories		18,684	71,103
Movement in liabilities, except for loans and borrowings	19.5	(158,931)	(14,506)
Interest revenue		(32,737)	36,086
Interest expense		(1,292)	(394)
Movement in prepayments, accruals and deferred revenue		64,200	21,074
Movement in provisions		(5,008)	6,342
Income tax paid		-	-
Other		(160,396)	(126,344)
<b>Net cash from operating activities</b>		<b>448,881</b>	<b>528,477</b>
<b>Cash flow from investing activities</b>			
Sale of property, plant and equipment and intangible assets		1,824	1,688
Purchase of property, plant and equipment and intangible assets		(726,924)	(710,867)
Interest received		1,292	394
Repayment of extended borrowings		809	677
Granting of loans		(957)	(787)
<b>Net cash from investing activities</b>		<b>(723,956)</b>	<b>(708,895)</b>
<b>Cash flow from financing activities</b>			
Payment of lease liabilities		(15,041)	(23,444)
Proceeds from obtained loans/borrowings		384,717	50,138
Repayment of loans/borrowings		(125,856)	(101,832)
Redemption of debt securities		(170,000)	-
Interest paid		(64,200)	(21,073)
<b>Net cash from financing activities</b>		<b>9,620</b>	<b>(96,211)</b>
Net increase in cash and cash equivalents		(265,455)	(276,629)
<b>Cash at the beginning of the period</b>		<b>418,615</b>	<b>480,418</b>
<b>Cash at the end of the period</b>	<b>19.5</b>	<b>153,160</b>	<b>203,789</b>



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**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**for the 6-month period ended 30 June 2022**

<i>(in thousands of PLN)</i>	<i>Attributable to owners of the parent</i>				
	<i>Share capital</i>	<i>Supplementary capital</i>	<i>Retained earnings</i>	<i>Other equity</i>	<i>Total</i>
<b>As at 1 January 2022</b>	<b>9,804</b>	<b>2,707,720</b>	<b>345,166</b>	<b>7,500</b>	<b>3,070,190</b>
Net profit for the 6-month period of 2022	-	-	464,513	-	464,513
Net other comprehensive income for the 6-month period of 2022	-	-	-	-	-
<i>Comprehensive income for the 6-month period of 2022</i>	-	-	464,513	-	464,513
Distribution of the 2021 financial result	-	804,301	(804,301)	-	-
<b>As at 30 June 2022*</b>	<b>9,804</b>	<b>3,512,021</b>	<b>5,378</b>	<b>7,500</b>	<b>3,534,703</b>
<b>As at 1 January 2021</b>	<b>9,804</b>	<b>2,063,322</b>	<b>185,937</b>	<b>7,500</b>	<b>2,266,563</b>
Net profit for 2021	-	-	805,303	-	805,303
Net other comprehensive income for 2021	-	-	(1,676)	-	(1,676)
<i>Comprehensive income for the year</i>	-	-	803,627	-	803,627
Distribution of the 2020 financial result	-	644,398	(644,398)	-	-
<b>As at 31 December 2021</b>	<b>9,804</b>	<b>2,707,720</b>	<b>345,166</b>	<b>7,500</b>	<b>3,070,190</b>
<b>As at 1 January 2021</b>	<b>9,804</b>	<b>2,063,322</b>	<b>185,937</b>	<b>7,500</b>	<b>2,266,563</b>
Net profit for the 6-month period of 2021	-	-	341,009	-	341,009
Net other comprehensive income for the 6-month period of 2021	-	-	-	-	-
<i>Comprehensive income for the 6-month period of 2021</i>	-	-	341,009	-	341,009
Distribution of the 2020 financial result	-	636,288	(636,288)	-	-
<b>As at 30 June 2021*</b>	<b>9,804</b>	<b>2,699,610</b>	<b>(109,342)</b>	<b>7,500</b>	<b>2,607,572</b>

\* *unaudited*

## ADDITIONAL NOTES

### 1. General information

The Dino Polska S.A. Group (“Group”) consists of Dino Polska S.A. (“parent company”, “Company”) and its subsidiaries. The Group’s interim condensed consolidated financial statements span the 6-month period ended 30 June 2022 and contain comparative data for the 6-month period ended 30 June 2021 and as at 31 December 2021.

The interim condensed consolidated statement of profit or loss spans the 3-month period ended 30 June 2022 and contains comparative data for the 3-month period ended 30 June 2021 – they were not reviewed or audited by the statutory auditor.

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

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

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

The Group’s interim condensed consolidated financial statements for the 6-month period ended 30 June 2022 were approved for publication by the Management Board on 18 August 2022.

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

### 2. Changes to the Group’s composition

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

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

These interim condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standard 34 “Interim Financial Reporting” approved by the European Union (“IAS 34”) and in accordance with the accounting standards applicable to interim financial reporting endorsed by the European Union as published and in force during the preparation of the interim condensed consolidated financial statements (see also note 4).

These interim condensed consolidated financial statements do not contain all the information and disclosures required in annual financial statements and should be read jointly with the Group’s consolidated financial statements for the year ended 31 December 2021 approved for publication on 10 March 2022.

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

These interim condensed consolidated financial statements have been prepared based on the assumption that the Group companies will continue as a going concern in the foreseeable future.

As at 30 June 2022, the Group presented an excess of current liabilities over current assets, which is typical for the retail industry, where a predominant part of sales is made for cash and suppliers offer deferred payment terms. At the same time, the Group intensively develops its network using free cash and funding from bank loans to increase the value of new investments. Covenants related to loan agreements are monitored on an ongoing basis. As at the balance sheet date of 30 June 2022, there was no default on the terms and conditions of loan agreements and the Management Board of the parent company is of the opinion there is no risk that banks may terminate such agreements within 12 months of the balance sheet date of 30 June 2022. As at the balance sheet date the Group has open and unused lines of credit for PLN 585 million that can be used to manage the Group’s liquidity.

In connection with the political and economic situation in Ukraine the parent company's Management Board analyzes its impact on the Company's business on an ongoing basis. As at the date of these consolidated financial statements, all areas of the operating activity of the companies belonging to the Group 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 Group companies continuing their operations been ascertained.

#### 4. Significant accounting principles (policies)

The accounting principles (policies) used to draw up the interim condensed consolidated financial statements are consistent with the ones that were used to draw up the Group's annual consolidated financial statements for the year ended 31 December 2021 except for the application of new or modified standards and interpretations in force for annual periods beginning on or after 1 January 2022.

Amended standards or interpretations that came into force for the first time in 2022 do not have a material impact on the Group's interim condensed consolidated financial statements.

- Amendments to IAS 16: *Property, plant and equipment: proceeds before intended use*

As part of the changes, the clause has been removed concerning the reduction of the purchase price or cost of preparing non-current assets by the net revenue on the sale of goods produced when bringing a given asset to the desired location and state (for instance, trial production run carried out during the testing phase). At the same time, it was stated more precisely that the Group recognizes the revenue and costs on such items in the statement of profit or loss in accordance with the applicable standards. The Group measures the costs of these items by applying the requirements pertaining to measurement set forth in IAS 2.

The Group applies these amendments retrospectively but only in respect of property, plant and equipment, which are adapted to the place and conditions required to make it possible for them to operate in the manner intended by the management on the date of, or on the date after, the commencement of the earliest period presented in the financial statements in which the Group applied these amendments for the first time.

- Amendments to IAS 37: *Onerous contracts – cost of fulfilling a contract*

The explanation was given as part of these amendments that in the case of onerous contracts the cost of fulfilling a contract includes the incremental costs of fulfilling that contract, e.g. work and materials and assigning other costs that refer directly to fulfilling a contract – for instance assigning depreciation costs to the property, plant and equipment used to fulfill that contract among others.

The Group applies these amendments to contracts in respect of which it has not yet fulfilled all of its obligations on the date of commencing the annual reporting period in which it applies these amendments for the first time (date of initial application). The Group does not restate comparative data.

- Amendments to IFRS 3: *Business Combinations - Reference to the Conceptual Framework*

The amendments are supposed to replace the reference to the prior version of the Conceptual Framework issued by IASB (Conceptual Framework of 1989) with the reference to the current version published in March of 2018 (Conceptual Framework) without substantially altering the requirements set forth thereunder.

The amendments introduce an exception from the recognition rule stemming from IFRS 3, for the purpose of avoiding the issue of prospective 'next day' profits and losses in reference to liabilities and contingent liabilities that would form part of IAS 37 Provisions, conditional liabilities and contingent assets or IFRIC 21 Fees if they appear separately. The exception requires the Group to apply the criteria stemming from IAS 37 or IFRIC 21, respectively (instead of the requirements stemming from the Conceptual Framework) to determine whether an obligation is in place on the acquisition date. At the same time, the amendments introduce a new paragraph to IFRS 3 explaining that conditional assets do not qualify for recognition on the acquisition date.

The amendments have a prospective application. Earlier application is allowed if the Group, simultaneously or earlier, also applies all the amendments set forth in the Amendments to the Reference to the Conceptual Framework in IFRS (March 2018).

- Amendments ensuing from the IFRS 2018–2020 review:

a) IAS 1 First-time Adoption of International Financial Reporting Standards: *Subsidiary as a first-time adopter of IFRS.*

This amendment allows a subsidiary that makes a decision to apply paragraph D16 (a) of IFRS 1 to measure the cumulative FX differences on account of translation when using the amounts carried in the parent company's consolidated financial statements based on the parent company's IFRS conversion date if no corrections are made on account of consolidation procedures and the effects of a combination of business units as part of which the parent company acquires a subsidiary. This amendment is also applicable to an associate or joint venture if they decide to apply paragraph D16 (a) of IFRS 1.

*b) IFRS 9 Financial instruments: Fees in the '10 per cent' test for derecognition of financial liabilities*

This amendment precisely defines the fees the Group takes into consideration when assessing whether the conditions of a new or modified financial liability substantially differs from the conditions of the original financial liability. These fees solely include the fees paid or received between a borrower and a lender, including fees paid or received by a borrower or lender on behalf of the other party. A similar amendment is not proposed in reference to IAS 39.

The Group applies the amendment to financial liabilities that have been modified or exchanged on or after commencing the annual reporting period in which the Group first adopts this amendment.

*c) Illustrative examples to IFRS 16 Leases: Lease Incentives*

This amendment abolishes illustrative example no. 13 pertaining to payments from a lessor related to investments in the leased object. This will make it possible to avoid any ambiguity concerning the approach to lease incentives when applying IFRS 16.

*d) IAS 41 Agriculture: Taxation in fair value measurements*

This amendment abolishes the requirement stemming from paragraph 22 of IAS 41 according to which Groups exclude tax payments when determining the fair value of assets forming part of IAS 41.

The Group applies the amendment to determining fair value at the beginning of the first annual reporting period commencing on 1 January 2022 or after that date.

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

## **5. Change of estimates and corrections of errors**

No change of estimates and no correction of errors were made in the 6-month period ended 30 June 2022 versus 31 December 2021.

## **6. Business seasonality**

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

## **7. Revenue from contracts with customers**

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

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## 8. Information concerning business segments

The Dino Polska S.A. Group runs its operations in one business sector and has one operating and reporting segment in the form of sales in a retail store network. Its revenues may be broken down by product group. The parent company's Management Board does not analyze results under various product groups while allocating direct costs or justified indirect costs to them. Since the smallest area of business for which the Management Board reviews profitability ratios is the level of the Dino Polska S.A. Group as a whole, only one operating segment has been isolated.

<i>(in thousands of PLN)</i>	<i>01.01.2022- 30.06.2022</i>	<i>01.01.2021- 30.06.2021</i>
Revenue on sales of products and services	972,478	706,714
Revenue on sales of goods and materials	7,768,459	5,304,318
<b>Total</b>	<b>8,740,937</b>	<b>6,011,032</b>

Revenue on sales of meat products produced within the Group is presented as revenue on sales of products, while revenue on retail sales of goods purchased for further resale is presented as revenue on sales of goods. The Group also recognizes rental income in sales revenue. In H1 2022 rental income was PLN 5,500 thousand (in 2021: PLN 2,935 thousand). The Group does not have customers whose sales would amount to more than 10% of the total value of sales. The Group generated all sales revenues in Poland.

## 9. Dividends distributed and proposed for distribution

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

## 10. Revenues and costs

### 10.1. Costs by nature:

<i>(in thousands of PLN)</i>	<i>01.01.2022- 30.06.2022</i>	<i>01.01.2021- 30.06.2021</i>
Depreciation and amortization	142,856	114,264
Consumption of materials and energy	752,671	480,657
External services	291,203	187,991
Taxes and fees	159,980	113,553
Employee benefits	1,014,788	747,372
Other costs by nature	32,888	23,557
Cost of goods and materials sold	5,711,783	3,909,085
<b>Total costs by nature, including:</b>	<b>8,106,169</b>	<b>5,576,479</b>
Items captured in cost of sales	6,579,872	4,497,778
Items captured in sales and marketing expenses	1,456,312	1,022,285
Items captured in general administration expenses	64,031	50,964
Movement in products	5,954	5,452

### 10.2. Other operating income

<i>(in thousands of PLN)</i>	<i>01.01.2022- 30.06.2022</i>	<i>01.01.2021- 30.06.2021</i>
Impairment loss for expected credit losses	-	37
Grants	455	429
Damages	543	325
Income for making timely payments PIT-4	85	91
Revenue on the sales of PMEF certificates	-	18
Other (including debit/credit notes)	4,300	3,257
<b>Total other operating income</b>	<b>5,383</b>	<b>4,157</b>

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### 10.3. Other operating expenses

<i>(in thousands of PLN)</i>	<b>01.01.2022- 30.06.2022</b>	<b>01.01.2021- 30.06.2021</b>
Impairment loss for expected credit losses	35	45
Sale and decommissioning of property, plant and equipment	4,221	2,786
Donations	447	2,170
Other (including VAT, for 90 days)	836	732
<b>Total other operating expenses</b>	<b>5,539</b>	<b>5,733</b>

### 10.4. Financial income

<i>(in thousands of PLN)</i>	<b>01.01.2022- 30.06.2022</b>	<b>01.01.2021- 30.06.2021</b>
Interest income from banks	701	1
Interest income on receivables	541	359
Interest income on loans	50	35
Foreign exchange gains	-	249
<b>Total financial income</b>	<b>1,292</b>	<b>644</b>

### 10.5. Financial expenses

<i>(in thousands of PLN)</i>	<b>01.01.2022- 30.06.2022</b>	<b>01.01.2021- 30.06.2021</b>
Interest on bank loans	30,695	7,221
Interest on trade payables	16,659	8,922
Interest on other payables	39	49
Interest on bonds	15,152	3,144
Interest on lease liabilities	1,413	1,277
Foreign exchange losses	354	-
Commissions	261	393
Other	1	1
<b>Total financial expenses</b>	<b>64,574</b>	<b>21,007</b>

## 11. Income tax

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

<i>(in thousands of PLN)</i>	<b>01.01.2022- 30.06.2022</b>	<b>01.01.2021- 30.06.2021</b>
Profit before tax	577,284	418,066
Tax at the statutory tax rate in Poland at 19% (comparative period: 19%)	(109,684)	(79,433)
Investment allowance for operating in a special economic zone	(1,786)	2,472
Expense items that are never taxable or deductible	(1,301)	(96)
Tax at the effective tax rate of 19% (comparative period: 18%)	(112,771)	(77,057)
Income tax (expense) recognized in consolidated profit or loss	(112,771)	(77,057)

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

<i>(in thousands of PLN)</i>	<i>Consolidated statement of financial position</i>		<i>Consolidated statement of profit or loss for the period/year ended</i>	
	<b>30.06.2022</b>	<b>31.12.2021</b>	<b>30.06.2022</b>	<b>30.06.2021</b>
Temporary difference in the value of fixed assets	49,831	43,599	6,232	5,247
Accrued interest as at the balance sheet date	5,675	5,523	152	656
Income for uninvoiced services	50,882	22,059	28,823	25,823
Difference in measurement of inventories	-	1,116	(1,116)	-
Other	-	-	-	(130)
Presentation adjustment	(85,822)	(64,110)	(21,712)	(6,513)
<b>Deferred tax liability</b>	<b>20,566</b>	<b>8,187</b>		
Difference in measurement of inventories	41,779	37,552	4,227	1,160
Provisions for retirement severance benefits	1,287	1,219	68	-
Provision for unused holiday leave	14,737	10,634	4,103	3,242
Provision for other liabilities	9,711	5,559	4,152	56
Mandate contracts paid in the subsequent year	162	653	(491)	(33)
Social security contributions	10,335	8,558	1,777	1,099
Accrued interest as at the balance sheet date	7,206	5,955	1,251	469
Other	706	730	(24)	173
Losses deductible from future taxable income	653	653	-	-
Temporary difference in the value of fixed assets	8,142	7,202	940	841
Allowance on the amount of eligible capital expenditures for business in a Special Economic Zone	17,511	20,511	(3,000)	-
Presentation adjustment	(85,822)	(64,110)	(21,712)	(6,513)
<b>Deferred tax assets</b>	<b>26,407</b>	<b>35,116</b>		
<b>Deferred tax expense</b>			<b>(21,088)</b>	<b>(24,589)</b>

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

The value of deferred tax assets on the relief pertaining to the quantum of the eligible investment expenditures for operations in the Special Economic Zone has been determined on the basis of the Parent Company Management Board's analysis prepared on the basis of tax forecasts drawn up for the purposes of preparing the consolidated financial statements as of 31 December 2021, which in the opinion of the Management Board is current as of the date of preparing the interim condensed consolidated financial statements.

## 12. Property, plant and equipment

In the 6-month period ended 30 June 2022 the Group purchased property, plant and equipment worth PLN 741,436 thousand (in the 6-month period ended 30 June 2021: PLN 691,313 thousand).

In the 6-month period ended 30 June 2022 the Group liquidated and sold property, plant and equipment whose total net value was PLN 6,241 thousand (in the 6-month period ended 30 June 2021: PLN 4,579 thousand).

## 13. Right-of-use assets

In the 6-month period ended 30 June 2022 the Group purchased property, plant and equipment worth PLN 2,529 thousand (in the 6-month period ended 30 June 2021: PLN 539 thousand).

In the 6-month period ended 30 June 2022 the Group reclassified right-of-use assets to non-current assets worth PLN 206 thousand (in the 6-month period ended 30 June 2021: PLN 5,414 thousand).

## 14. Intangible assets

In the 6-month period ended 30 June 2022 the Group purchased intangible assets (licenses and software) worth PLN 2,241 thousand (in 2021: PLN 1,672 thousand).

## 15. Goodwill

As of 30 June 2022 goodwill was PLN 64,989 thousand (as at 31 December 2021: PLN 64,989 thousand). There were no changes to goodwill in the period ended 30 June 2022 and 31 December 2021. According to the Management Board, the prerequisites for impairment were not met and accordingly there were no reasons to perform a test as at 30 June 2022. The Group conducted an impairment value test as at 31 December 2021. The test demonstrated that there was no impairment in respect of goodwill or the trademarks.

## 16. Inventories

(in thousands of PLN)

	<u>30.06.2022</u>	<u>31.12.2021</u>
Materials	64,761	46,884
Semi-finished goods and work in progress	11,299	9,176
Finished products	17,571	11,617
Merchandise	1,438,763	1,305,786
<b>Total inventories</b>	<b><u>1,532,394</u></b>	<b><u>1,373,463</u></b>

The Group allocates the relevant portion of the costs of delivering goods from its distribution centers to specify the purchase price of inventories in its commercial facilities. The Group conducts a periodic inventory of inventories. To restate them at the end of the period the inventory provision is estimated. As at 30 June 2022, the value of this provision was PLN 48,214 thousand (PLN 36,640 thousand as at 31 December 2021). As at 30 June 2022, the impairment loss on the net sales price was PLN 955 thousand (PLN 1,980 thousand as at 31 December 2021).

## 17. Provisions

(in thousands of PLN)

	<i>Provision for pension and disability benefits</i>	<i>Deferred tax liability</i>	<i>Total</i>
<b>Opening balance as at 1 January 2022</b>	<b>6,771</b>	<b>8,187</b>	<b>14,958</b>
Increases	-	12,379	12,379
Utilization	-	-	-
<b>Closing balance as at 30 June 2022</b>	<b>6,771</b>	<b>20,566</b>	<b>27,337</b>
Short-term provisions	1,944	-	1,944
Long-term provisions	4,827	20,566	25,393

(in thousands of PLN)

	<i>Provision for pension and disability benefits</i>	<i>Deferred tax liability</i>	<i>Total</i>
<b>Opening balance as at 1 January 2021</b>	<b>4,176</b>	<b>6,555</b>	<b>10,731</b>
Increases	2,595	1,632	4,227
Utilization	-	-	-
<b>Closing balance as at 31 December 2021</b>	<b>6,771</b>	<b>8,187</b>	<b>14,958</b>
Short-term provisions	1,944	-	1,944
Long-term provisions	4,827	8,187	13,014



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

<i>(in thousands of PLN)</i>	<u>30.06.2022</u>	<u>31.12.2021</u>
Lease liabilities	25,316	27,721
Investment loans	298,891	188,644
Loans to finance current activity	25,754	7,525
Investment securities	6,496	171,642
<b>Current</b>	<b><u>356,457</u></b>	<b><u>395,532</u></b>
Lease liabilities	36,514	46,621
Investment loans	713,400	583,014
Investment securities	450,000	450,000
<b>Non-current</b>	<b><u>1,199,914</u></b>	<b><u>1,079,635</u></b>

The Company has entered into credit facility agreements for a duration of 2 to 10 years and they bear interest at a floating WIBOR rate plus a margin and they are collateralized with a joint contractual mortgage and an assignment of the rights under an insurance policy. In addition, the liabilities for loans and lease agreements also have security interests in the form of blank bills of exchange.

## 19. Other significant changes

### 19.1. Non-recurring amounts and events

No non-recurring events transpired in the Dino Group's business in the period from 1 January 2022 to 30 June 2022.

### 19.2. Investment securities

On 27 June 2022 the Group redeemed 1,700 bonds issued in 2019 with a nominal value of PLN 100,000 each and a total value of PLN 170,000,000.00.

The Group did not issue, redeem or pay down any non-equity or investment securities in the period from 1 January 2021 to 30 June 2021.

### 19.3. Contingent liabilities

#### 19.3.1 Litigation

In the period from 1 January 2022 to 30 June 2022 the Group companies were not party to any material case under a statement of claim launched by or against the companies, which in the opinion of the Management Board of the parent company should be disclosed.

### 19.4. Obligations to incur capital expenditures

In the presented reporting period, liabilities on account of purchases of property, plant and equipment included purchases related to the further expansion of the Dino Group store network and expansion of warehouse space. As at 30 June 2022 the Group had contingent liabilities arising from concluded preliminary agreements in the amount of PLN 844,911 thousand (as at 30 June 2021: PLN 713,298 thousand).

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## 19.5. Cash and cash equivalents

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

<i>(in thousands of PLN)</i>	<i>30.06.2022</i>	<i>31.12.2021</i>	<i>30.06.2021</i>
Cash at bank and in hand	59,171	144,985	144,536
Cash en route	21,245	14,141	41,238
Short-term deposits	72,744	259,489	18,015
<b>Total</b>	<b>153,160</b>	<b>418,615</b>	<b>203,789</b>

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

<i>(in thousands of PLN)</i>	<i>01.01.2022- 30.06.2022</i>	<i>01.01.2021- 30.06.2021</i>
Movement in receivables resulting from the consolidated statement of financial position	8,684	32,555
Movement in receivables on the sale of fixed assets	(953)	(301)
Movement in state budget receivables	10,953	38,849
<b>Movement in receivables in the consolidated statement of cash flows</b>	<b>18,684</b>	<b>71,103</b>

<i>(in thousands of PLN)</i>	<i>01.01.2022- 30.06.2022</i>	<i>01.01.2021- 30.06.2021</i>
Movement in liabilities resulting from the consolidated statement of financial position	(11,781)	(130,604)
Movement in loans	(258,862)	51,693
Movement in finance lease liabilities	12,512	22,931
Movement in investment settlements	(13,374)	18,278
Movement in settlements regarding issue of debt securities	170,000	-
Movement in income tax liabilities	68,768	73,788
<b>Movement in liabilities in the consolidated statement of cash flows</b>	<b>(32,737)</b>	<b>36,086</b>

## 19.6. Other selected disclosures

No material events requiring disclosure transpired in the reporting period.

## 20. Business combinations and purchases of non-controlling interests

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

## 21. Objectives and principles of managing financial risk

The main financial instruments used by the Group include bank loans, bonds issued by the Group and leases. The main objective of these instruments is to raise funding for Group's activities. The Group also holds various other financial instruments, such as trade receivables and payables, which arise directly from its activities. The rule followed by the Group currently and throughout the period covered by the interim condensed consolidated financial statements is to refrain from dealing in financial instruments.

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

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these types of risk. The Group monitors the liquidity risk using a periodic liquidity planning tool. The tool takes into account the maturities of investments and financial assets alike (e.g. the amount of receivables, other financial assets) and projected cash flows from operating activities. The Group 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 Group 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 Group mitigates the liquidity risk ensuing from the usage of reverse factoring agreements by collaborating with several factors and maintaining unused factoring limits totaling PLN 217.5 million as at 30 June 2022.

No material changes were made to the rules of financial risk management in the 6-month period ended 30 June 2022 compared to the 2021 consolidated financial statements.

The parent company's Management Board incorporates the Group's positive results (including EBITDA) in its analysis of the risks ensuing from financial instruments. The Dino Group's EBITDA was PLN 783,422 thousand in H1 2022, PLN 552,693 thousand in H1 2021 and PLN 1,271,336 thousand in the period from 1 January 2021 to 31 December 2021. During the last 12 months, i.e. from 1 July 2021 to 30 June 2022 the Dino Group generated EBITDA of PLN 1,502,065 thousand. The Dino Group defines EBITDA as earnings before interest, taxes, depreciation and amortization. This ratio is not a measure governed by IFRS.

## 22. Financial instruments

In the Group's opinion, the fair value of cash, short-term deposits, trade receivables, trade payables, bank loans, other loans, outstanding bonds and lease liabilities does not materially deviate from their carrying amounts. In the 6-month period ended 30 June 2022, no changes were made to the fair value measurement methodology pertaining to financial instruments and no changes were made to the classification of financial assets resulting from a change of purpose or use of such assets.

### Carrying amounts of individual classes of financial instruments

<i>(in thousands of PLN)</i>	<i>Carrying amount</i>	
	<i>30.06.2022</i>	<i>31.12.2021</i>
Cash and cash equivalents	153,160	418,615
Trade and other receivables	135,328	144,012
<b>Debt instruments measured at amortized cost</b>	<b>288,488</b>	<b>562,627</b>
<i>(in thousands of PLN)</i>	<i>30.06.2022</i>	<i>31.12.2021</i>
Interest-bearing loans and borrowings	713,400	583,014
Investment securities	450,000	450,000
Lease liabilities	36,514	46,621
<b>Non-current financial liabilities measured at amortized cost</b>	<b>1,199,914</b>	<b>1,079,635</b>
Interest-bearing loans and borrowings	324,645	196,169
Investment securities	6,496	171,642
Lease liabilities	25,316	27,721
Trade payables	1,137,844	1,083,424
Trade payables in factoring, including supplier finance programs	791,603	924,631
<b>Current financial liabilities measured at amortized cost</b>	<b>2,285,904</b>	<b>2,403,587</b>

## 23. Discontinued activity

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

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## 24. Related party transactions

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

The table below presents the total amounts of the transactions executed with related parties during the six-month period ended 30 June 2022 and 2021 (for sales and purchases) and as at 30 June 2022 and 31 December 2021 (for receivables and liabilities):

<i>Related party</i>		<i>Sale to related parties</i>	<i>Purchases from related parties</i>	<i>Receivables from related parties</i>	<i>Liabilities to related parties</i>
<b>Key managers (Management Board members) of the Group</b>					
	2022	-	-	-	-
	2021	-	-	-	-
<b>Supervisory Board</b>					
	2022	-	-	-	-
	2021	-	-	-	-
<i>Related party</i>		<i>Sale to related parties</i>	<i>Purchases from related parties</i>	<i>Receivables from related parties</i>	<i>Liabilities to related parties</i>
<i>Parties related through the majority owner</i>					
Zakłady Mięsne "Biernacki" Tomasz Biernacki	2022	33	187	2	14
	2021	23	194	3	14
	2022	53	2,783	55	8
BT Development BT Kapitał sp. z o.o. sp.k.	2021	5	2,683	3	575
	2022	-	187	-	5
BT Nieruchomości sp. z o.o.	2021	-	244	-	71
	2022	78	2	45	-
BT Kapitał sp. z o.o.	2021	109	1	42	-
	2022	618	334,051	136	196,348
Krot Invest KR Inżynieria sp. z o.o. SKA	2021	610	290,421	493	176,953
	2022	4	21,378	1	9,290
Krot Invest 2 KR Inżynieria sp. z o.o. sp.k.	2021	1	15,484	-	8,488
	2022	1	1,235	-	57
ZR 1 sp. z o.o.	2021	1	1,055	-	251
	2022	1	1,772	-	132
ZR 2 sp. z o.o.	2021	837	1,532	46	352
	2022	1	1,456	-	1
ZR 3 sp. z o.o.	2021	2	1,449	-	341
	2022	2	1,280	-	1
ZR 4 sp. z o.o.	2021	1	1,302	-	253
	2022	-	-	-	-
Zielony Rynek 5 BT Kapitał sp. z o.o. sp.k.	2021	-	3	-	-
	2022	5	153	-	-
Zielony Rynek 6 BT Kapitał sp. z o.o. sp.k.	2021	-	222	-	34
	2022	-	59	-	-
Mleczarnia Naramowice sp. z o.o.	2021	1	52	-	10
<i>Parties related through key personnel</i>					
	2022	7	109	1	5
Agrofirma Spółdzielcza	2021	4	117	-	6
	2022	2	1,474	-	230
TBE sp. z o.o.	2021	2	932	-	117

## **25. Events after the reporting period**

On 28 July 2022 Dino Polska issued 170,000 bonds with a nominal value of PLN 1,000 each and a total value of PLN 170,000,000.00. The bonds bear interest at a floating interest rate of WIBOR 3M plus a fixed margin of 1.20 percentage points per annum. The redemption date was set for 28 July 2026. The bonds are secured under a surety provided by selected Dino Polska S.A. Group companies.

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