

DINO POLSKA S.A. GROUP

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE 6-MONTH PERIOD ENDED 30 JUNE 2023
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 2023 prepared in accordance with the International Financial Reporting Standards approved for application in the EU
(in thousands of PLN)

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FINANCIAL HIGHLIGHTS

	<i>PLN 000s</i>		<i>EUR 000s*</i>	
	<i>01.01.2023- 30.06.2023</i>	<i>01.01.2022- 30.06.2022</i>	<i>01.01.2023- 30.06.2023</i>	<i>01.01.2022- 30.06.2022</i>
Sales revenue	12,092,972	8,740,937	2,621,498	1,882,727
Operating profit	857,806	640,566	185,954	137,973
Profit before tax	781,701	577,284	169,456	124,342
Net profit	632,847	464,513	137,188	100,052
Number of shares	98,040,000	98,040,000	98,040,000	98,040,000
Basic / diluted earnings per share in PLN, EUR	6.45	4.74	1.40	1.02
Cash flow from operating activities	890,651	448,881	193,074	96,685
Cash flow from investing activities	(563,849)	(723,956)	(122,230)	(155,934)
Cash flow from financing activities	(230,355)	9,620	(49,936)	2,072
Net change in cash and cash equivalents	96,450	(265,455)	20,908	(57,177)

*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 2023: PLN 4.6130/EUR;
- NBP's average exchange rate for H1 2022: PLN 4.6427/EUR;

	<i>PLN 000s</i>		<i>EUR 000s*</i>	
	<i>30.06.2023</i>	<i>31.12.2022</i>	<i>30.06.2023</i>	<i>31.12.2022</i>
Total assets	9,407,080	9,003,059	2,113,808	1,919,670
Total non-current assets	6,645,081	6,296,353	1,493,176	1,342,535
Total current assets	2,761,999	2,706,706	620,632	577,135
Equity	4,836,630	4,203,783	1,086,810	896,348
Share capital	9,804	9,804	2,203	2,090
Non-current liabilities	1,054,412	1,109,149	236,931	236,497
Current liabilities	3,516,038	3,690,127	790,068	786,824

* 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 2023: 4.4503 PLN/EUR;
- NBP's average exchange rate as at 31 December 2022: 4.6899 PLN/EUR

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

<i>(in thousands of PLN)</i>	<i>Note</i>	01.01.2023- 30.06.2023	01.01.2022- 30.06.2022	01.04.2023- 30.06.2023	01.04.2022- 30.06.2022
		<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>
Sales revenue	7	12,092,972	8,740,937	6,548,678	4,886,680
Cost of sales	10.1	(9,295,551)	(6,579,872)	(5,086,298)	(3,702,931)
Gross profit on sales		2,797,421	2,161,065	1,462,380	1,183,749
Other operating income	10.2	6,375	5,383	1,546	3,106
Sales and marketing expenses	10.1	(1,868,734)	(1,456,312)	(938,669)	(775,683)
General administration expenses	10.1	(73,254)	(64,031)	(41,242)	(30,200)
Other operating expenses	10.3	(4,002)	(5,539)	(1,905)	(3,260)
Operating profit		857,806	640,566	482,110	377,712
Financial income	10.4	4,791	1,292	3,827	832
Financial expenses	10.5	(80,896)	(64,574)	(38,187)	(36,375)
Profit before tax		781,701	577,284	447,750	342,169
Income tax	11	(148,854)	(112,771)	(85,557)	(69,031)
Net profit		632,847	464,513	362,193	273,138
Profit attributable:					
To owners of the parent		632,847	464,513	362,193	273,138
Earnings per share:					
– basic earnings from profit attributable to owners of the parent		6.45	4.74	3.69	2.79
– diluted earnings from profit attributable to owners of the parent		6.45	4.74	3.69	2.79

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

<i>(in thousands of PLN)</i>	<u>01.01.2023- 30.06.2023</u>	<u>01.01.2022- 30.06.2022</u>	<u>01.04.2023- 30.06.2023</u>	<u>01.04.2022- 30.06.2022</u>
	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>
Net profit for the reporting period	632,847	464,513	362,193	273,138
<i>Items not subject to reclassification to profit in subsequent reporting periods:</i>				
Net other comprehensive income not subject to reclassification to profit/(loss) in subsequent reporting periods	-	-	-	-
Net other comprehensive income	-	-	-	-
Comprehensive income in the reporting period	632,847	464,513	362,193	273,138
Comprehensive income attributable:				
To owners of the parent	632,847	464,513	362,193	273,138

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**as at 30 June 2023**

<i>(in thousands of PLN)</i>	<i>Note</i>	30.06.2023	31.12.2022
		<i>(unaudited)</i>	
ASSETS			
Property, plant and equipment	12	6,417,838	6,070,032
Right-of-use assets	13	108,249	105,116
Intangible assets	14	93,767	94,737
Deferred tax assets	11	25,227	26,468
Total non-current assets		6,645,081	6,296,353
Inventories	16	1,957,737	1,978,778
Trade and other receivables		220,004	274,872
Other non-financial assets		103,928	69,096
Other financial assets		1,162	1,242
Cash and cash equivalents	19.4	479,168	382,718
Total current assets		2,761,999	2,706,706
TOTAL ASSETS		9,407,080	9,003,059
EQUITY AND LIABILITIES			
Equity (attributable to owners of the parent)		4,836,630	4,203,783
Share capital		9,804	9,804
Supplementary capital		4,649,963	3,512,022
Retained earnings		169,363	674,457
Other equity		7,500	7,500
Non-controlling interests		-	-
Total equity		4,836,630	4,203,783
Loans and borrowings	18	597,808	690,862
Lease liabilities		37,213	34,673
Liabilities by virtue of outstanding securities	18	370,000	370,000
Other liabilities		120	120
Provisions for employee benefits	17	5,794	5,794
Deferred tax liability	11	43,477	7,700
Total non-current liabilities		1,054,412	1,109,149
Trade and other payables		2,726,956	2,794,077
Loans and borrowings	18	364,475	410,157
Lease liabilities		17,166	17,893
Liabilities by virtue of outstanding securities	18	259,993	260,947
Income tax liabilities		35,912	120,034
Accruals and deferred revenue		110,571	86,054
Provisions for employee benefits	17	965	965
Total current liabilities		3,516,038	3,690,127
Total liabilities		4,570,450	4,799,276
TOTAL EQUITY AND LIABILITIES		9,407,080	9,003,059

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INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

for the 6-month period ended 30 June 2023

<i>(in thousands of PLN)</i>	<i>Note</i>	01.01.2023- 30.06.2023	01.01.2022- 30.06.2022
		<i>(unaudited)</i>	<i>(unaudited)</i>
Cash flow from operating activities			
<i>Profit before tax</i>		781,701	577,284
<i>Adjustments for the line items:</i>			
Depreciation and amortization		171,839	142,856
(Profit)/loss on investment activity		3,003	4,221
Movement in trade receivables and other receivables	19.4	72,096	18,684
Movement in inventories		21,041	(158,931)
Movement in liabilities, except for loans and borrowings	19.4	(10,044)	(32,737)
Interest revenue		(3,833)	(1,292)
Interest expense		80,823	64,200
Movement in prepayments, accruals and deferred revenue		(29,897)	(5,008)
Income tax paid		(196,078)	(160,396)
Net cash from operating activities		890,651	448,881
Cash flow from investing activities			
Sale of property, plant and equipment and intangible assets		824	1,824
Purchase of property, plant and equipment and intangible assets		(568,583)	(726,924)
Interest received		3,833	1,292
Repayment of extended borrowings		932	809
Granting of loans		(852)	(957)
Net cash from investing activities		(563,846)	(723,956)
Cash flow from financing activities			
Payment of lease liabilities		(11,750)	(15,041)
Loan proceeds		46,090	384,717
Repayment of loans		(184,826)	(125,856)
Redemption of debt securities		-	(170,000)
Interest paid		(79,869)	(64,200)
Net cash from financing activities		(230,355)	9,620
Net increase in cash and cash equivalents		96,450	(265,455)
Cash at the beginning of the period		382,718	418,615
Cash at the end of the period	19.4	479,168	153,160

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INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the 6-month period ended 30 June 2023

<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>
As at 1 January 2022	9,804	2,707,720	345,166	7,500	3,070,190
Net profit for the 6-month period of 2022	-	-	464,513	-	464,513
<i>Comprehensive income for the year</i>	-	-	464,513	-	464,513
Distribution of the 2021 financial result	-	804,301	(804,301)	-	-
As at 30 June 2022*	9,804	3,512,021	5,378	7,500	3,534,703
As at 1 January 2022	9,804	2,707,720	345,166	7,500	3,070,190
Net profit for 2022	-	-	1,132,087	-	1,132,087
Net other comprehensive income for 2022	-	-	1,506	-	1,506
<i>Comprehensive income for the year</i>	-	-	1,133,593	-	1,133,593
Distribution of the 2021 financial result	-	804,302	(804,302)	-	-
As at 31 December 2022	9,804	3,512,022	674,457	7,500	4,203,783
As at 1 January 2023	9,804	3,512,022	674,457	7,500	4,203,783
Net profit for the 6-month period of 2023	-	-	632,847	-	632,847
<i>Comprehensive income for the year</i>	-	-	632,847	-	632,847
Distribution of the 2022 financial result	-	1,137,941	(1,137,941)	-	-
As at 30 June 2023*	9,804	4,649,963	169,363	7,500	4,836,630

* *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 2023 and contain comparative data for the 6-month period ended 30 June 2022 and as at 31 December 2022. The interim condensed consolidated statement of profit or loss spans the 3-month period ended 30 June 2023 and contains comparative data for the 3-month period ended 30 June 2022 – 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 2023 were approved for publication by the Management Board on 17 August 2023.

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 2022 approved for publication on 23 March 2023.

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 2023, 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 2023, 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 2023. As at the balance sheet date the Group has open and unused lines of credit for PLN 435 million that can be used to manage the Group’s liquidity.

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 2022 except for the application of new or modified standards and interpretations in force for annual periods beginning on or after 1 January 2023.

Amended standards or interpretations that came into force for the first time in 2023 do not have a material impact on the Group's interim condensed consolidated financial statements.

- IFRS 17 *Insurance contracts*
- Definition of estimates - amendments to IAS 8
- Disclosure of information regarding accounting rules (policies) - Amendments to IAS 1 and Practice Statement 2
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12

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 material change of estimates or correction of errors was made in the 6-month period ended 30 June 2023 versus 31 December 2022.

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.

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). Accordingly, the Company's customers are homogeneous and there is no separation into categories reflecting the manner in which economic factors affect the nature, amount, term of payment and uncertainty of income and cash flow.

<i>(in thousands of PLN)</i>	<i>01.01.2023- 30.06.2023</i>	<i>01.01.2022- 30.06.2022</i>
Revenue on sales of products and services	1,401,324	972,478
Revenue on sales of goods and materials	10,691,648	7,768,459
Total	12,092,972	8,740,937

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 2023 rental income was PLN 8,429 thousand (in 2022: PLN 5,500 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.

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

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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 the profitability ratio is the level of the Dino Polska S.A. Group as a whole, only one operating segment has been identified.

EBITDA is one of the metrics used by the Management Board to assess the Dino Group's profitability. The Dino Group's EBITDA was PLN 1,029,645 thousand in H1 2023, PLN 783,422 thousand in H1 2022 and PLN 1,837,948 thousand in the period from 1 January 2022 to 31 December 2022. During the last 12 months, i.e. from 1 July 2022 to 30 June 2023 the Dino Group generated EBITDA of PLN 2,084,171 thousand. The Dino Group defines EBITDA as earnings before interest, taxes, depreciation and amortization. This ratio is not a measure governed by IFRS.

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:

(in thousands of PLN)

	<i>01.01.2023- 30.06.2023</i>	<i>01.01.2022- 30.06.2022</i>
Depreciation and amortization	171,839	142,856
Consumption of materials and energy	1,183,654	752,671
External services	294,315	291,203
Taxes and fees	222,336	159,980
Costs of employee benefits	1,328,958	1,014,788
Other costs by nature	49,269	32,888
Cost of goods and materials sold	7,991,111	5,711,783
Total costs by nature, including:	11,241,482	8,106,169
Items captured in cost of sales	9,295,551	6,579,872
Items captured in sales and marketing expenses	1,868,734	1,456,312
Items captured in general administration expenses	73,254	64,031
Movement in products	3,943	5,954

10.2. Other operating income

(in thousands of PLN)

	<i>01.01.2023- 30.06.2023</i>	<i>01.01.2022- 30.06.2022</i>
Impairment loss for expected credit losses	34	-
Grants	407	455
Damages	753	543
Revenue related to the service of payment cards	2,435	1,248
Other	2,746	3,137
Total other operating income	6,375	5,383

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10.3. Other operating expenses

<i>(in thousands of PLN)</i>	01.01.2023- 30.06.2023	01.01.2022- 30.06.2022
Impairment loss for expected credit losses	2	35
Sale and decommissioning of property, plant and equipment	3,003	4,221
Donations	653	447
Other	344	836
Total other operating expenses	4,002	5,539

10.4. Financial income

<i>(in thousands of PLN)</i>	01.01.2023- 30.06.2023	01.01.2022- 30.06.2022
Interest income from banks	3,220	701
Interest income on receivables	555	541
Interest income on loans	57	50
Foreign exchange gains	959	-
Total financial income	4,791	1,292

10.5. Financial expenses

<i>(in thousands of PLN)</i>	01.01.2023- 30.06.2023	01.01.2022- 30.06.2022
Interest on bank loans	45,734	30,695
Interest on trade payables	8,540	16,659
Interest on other payables	157	39
Interest on bonds	25,000	15,152
Interest on lease liabilities	1,242	1,413
Foreign exchange losses	-	354
Commissions	223	261
Other	-	1
Total financial expenses	80,896	64,574

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>	01.01.2023- 30.06.2023	01.01.2022- 30.06.2022
Profit before tax	781,701	577,284
Tax at the statutory tax rate in Poland at 19% (comparative period: 19%)	(148,523)	(109,684)
Investment allowance for operating in a special economic zone	-	(1,786)
Expense items that are never taxable or deductible	(331)	(1,301)
Tax at the effective tax rate of 19% (comparative period: 19%)	(148,854)	(112,771)
Income tax (expense) recognized in consolidated profit or loss	(148,854)	(112,771)

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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>	
	30.06.2023	31.12.2022	30.06.2023	30.06.2022
Temporary difference in the value of fixed assets	64,830	58,324	6,506	6,232
Accrued interest as at the balance sheet date	2,595	6,202	(3,607)	152
Income for uninvoiced services	79,890	38,795	41,095	28,823
Difference in measurement of inventories	-	-	-	(1,116)
Other	7,706	47	7,659	-
Presentation adjustment	(111,544)	(95,668)	(15,876)	(21,712)
Deferred tax liability	43,477	7,700		
Difference in measurement of inventories	59,376	52,935	6,441	4,227
Provisions for retirement severance benefits	1,172	1,190	(18)	68
Provision for unused holiday leave	19,609	15,099	4,510	4,103
Provision for other liabilities	11,529	7,289	4,240	4,152
Mandate contracts paid in the subsequent year	178	128	50	(491)
Social security contributions	12,738	11,632	1,106	1,777
Accrued interest as at the balance sheet date	12,215	9,354	2,861	1,251
Other	182	7	175	(24)
Losses deductible from future taxable income	535	531	4	-
Temporary difference in the value of fixed assets	8,575	9,122	(547)	940
Allowance on the amount of eligible capital expenditures for business in a Special Economic Zone	10,662	14,849	(4,187)	(3,000)
Presentation adjustment	(111,544)	(95,668)	(15,876)	(21,712)
Deferred tax assets	25,227	26,468		
Deferred tax expense			(37,018)	(21,088)

* 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 2022, 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 2023 the Group purchased property, plant and equipment worth PLN 512,499 thousand (in the 6-month period ended 30 June 2022: PLN 741,436 thousand).

In the 6-month period ended 30 June 2023 the Group liquidated and sold property, plant and equipment whose total net value was PLN 4,253 thousand (in the 6-month period ended 30 June 2022: PLN 6,241 thousand).

13. Right-of-use assets

In the 6-month period ended 30 June 2023 the Group purchased property, plant and equipment worth PLN 5,294 thousand (in the 6-month period ended 30 June 2022: PLN 2,529 thousand).

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In the 6-month period ended 30 June 2023 the Group did not reclassify any right-of-use assets to non-current assets (in the 6-month period ended 30 June 2022 it reclassified assets worth PLN 206 thousand).

14. Intangible assets

In the 6-month period ended 30 June 2023 the Group purchased intangible assets (licenses and software) worth PLN 2,022 thousand (in 2022: PLN 2,241 thousand).

15. Goodwill

As of 30 June 2023 goodwill was PLN 64,989 thousand (as at 31 December 2022: PLN 64,989 thousand). There were no changes to goodwill in the period ended 30 June 2023 and 31 December 2022. According to the Management Board, the prerequisites for impairment were not met and accordingly no impairment test was performed as at 30 June 2023. The Group conducted an impairment test as at 31 December 2022. The test demonstrated that there was no impairment in respect of goodwill or the trademarks.

16. Inventories

(in thousands of PLN)

	30.06.2023	31.12.2022
Materials	100,266	81,540
Semi-finished goods and work in progress	9,322	11,531
Finished products	25,268	21,325
Merchandise	1,881,311	1,917,185
Total inventories at purchase price	2,016,167	2,031,581
Impairments for inventories	(58,430)	(52,803)
Total inventories at net value	1,957,737	1,978,778

17. Provisions

(in thousands of PLN)

	<i>Provision for pension and disability benefits</i>	<i>Deferred tax liability</i>	<i>Total</i>
Opening balance as at 1 January 2023	6,759	7,700	14,459
Increases	-	35,777	35,777
Utilization	-	-	-
Closing balance as at 30 June 2023	6,759	43,477	50,236
Short-term provisions	965	-	965
Long-term provisions	5,794	43,477	49,271

(in thousands of PLN)

	<i>Provision for pension and disability benefits</i>	<i>Deferred tax liability</i>	<i>Total</i>
Opening balance as at 1 January 2022	6,771	8,187	14,958
Increases	-	-	-
Utilization	(12)	(487)	(499)
Closing balance as at 31 December 2022	6,759	7,700	14,459
Short-term provisions	965	-	965
Long-term provisions	5,794	7,700	13,494

18. Bank loans, borrowings, debt securities

<i>(in thousands of PLN)</i>	30.06.2023	31.12.2022
Current account overdrafts	-	546
Investment loans	364,475	409,611
Debt securities	259,993	260,947
Current	624,468	671,104
Investment loans	597,808	690,862
Debt securities	370,000	370,000
Non-current	967,808	1,060,862

The Group has entered into credit facility agreements for a duration of 2 to 10 years and they bear interest at a floating WIBOR 1M or WIBOR 3M 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 2023 to 30 June 2023.

19.2. Non-equity and investment securities

The Group did not issue, redeem or pay down any non-equity or investment securities in the period from 1 January 2023 to 30 June 2023.

19.3. Contingent liabilities

19.3.1 Litigation

In the period from 1 January 2023 to 30 June 2023 and as at 30 June 2023 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.

19.3.2 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 2023 the Group had contingent liabilities arising from concluded preliminary agreements in the amount of PLN 727,219 thousand (as at 30 June 2022: PLN 844,911 thousand).

19.4. 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>	30.06.2023	31.12.2022	30.06.2022
Cash at bank and in hand	86,138	106,239	59,171
Cash en route	24,380	43,750	21,245
Short-term deposits	368,650	232,729	72,744
Total	479,168	382,718	153,160

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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>01.01.2023- 30.06.2023</i>	<i>01.01.2022- 30.06.2022</i>
Movement in receivables resulting from the consolidated statement of financial position	54,868	8,684
Movement in receivables on the sale of fixed assets	(2,473)	(953)
Movement in state budget receivables	19,701	10,953
Movement in receivables in the consolidated statement of cash flows	72,096	18,684

<i>(in thousands of PLN)</i>	<i>01.01.2023- 30.06.2023</i>	<i>01.01.2022- 30.06.2022</i>
Movement in liabilities resulting from the consolidated statement of financial position	(289,120)	(11,781)
Movement in loans	138,736	(258,862)
Movement in lease liabilities	(1,813)	12,512
Movement in investment settlements	58,985	(13,374)
Movement in settlements regarding issue of debt securities	(954)	170,000
Movement in income tax liabilities	84,122	68,768
Movement in liabilities in the consolidated statement of cash flows	(10,044)	(32,737)

19.5. 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 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.

As at 30 June 2023 the factoring limit was PLN 1,198 million, with the unused limit totaling PLN 442 million (as at 31 December 2022 the respective limits were PLN 1,304 million and PLN 510 million). The payables in factoring at the end of the reporting period were PLN 754 million, while at the end of the prior reporting period they were PLN 794 million.

No material changes were made to the rules of financial risk management in the 6-month period ended 30 June 2023 compared to the 2022 consolidated financial statements.

22. Financial instruments

In the Group's opinion, the fair value of cash, short-term deposits, trade receivables, trade payables, bank loans, borrowings, outstanding bonds and lease liabilities does not materially deviate from their carrying amounts. In the 6-month period ended 30 June 2023, 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

(in thousands of PLN)

	<i>Carrying amount</i>	
	30.06.2023	31.12.2022
Cash and cash equivalents	479,168	382,718
Trade and other receivables	220,004	274,872
Debt instruments measured at amortized cost	699,172	657,590

(in thousands of PLN)

	30.06.2023	31.12.2022
Interest-bearing loans and borrowings	597,808	690,862
Issue of debt securities	370,000	370,000
Lease liabilities	37,213	34,673
Non-current financial liabilities measured at amortized cost	1,005,021	1,095,535

Interest-bearing loans and borrowings	364,475	410,157
Issue of debt securities	259,993	260,947
Lease liabilities	17,166	17,893
Trade and other financial payables	1,738,186	1,862,640
Trade payables in factoring	780,031	793,971
Current financial liabilities measured at amortized cost	3,159,851	3,345,608

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.

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 2023 and 2022 (for sales and purchases) and as at 30 June 2023 and 31 December 2022 (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>
Key managers (Management Board members) of the Group				
	2023	-	-	-
	2022	-	-	-
Supervisory Board				
	2023	-	-	-
	2022	-	-	-

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<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	2023	13	176	1	39
	2022	33	187	6	33
BT Development BT Kapitał sp. z o.o. sp.k.	2023	4	3,324	4	15
	2022	53	2,783	7	757
BT Nieruchomości sp. z o.o.	2023	-	237	-	12
	2022	-	187	-	52
BT Kapitał sp. z o.o.	2023	85	-	65	-
	2022	78	2	46	-
Krot Invest KR Inżynieria sp. z o.o. SKA	2023	135	205,361	723	78,539
	2022	618	334,051	861	99,725
Krot Invest 2 KR Inżynieria sp. z o.o. sp.k.	2023	6	22,154	1	3,029
	2022	4	21,378	1	8,213
ZR 1 sp. z o.o.	2023	2	1,427	-	53
	2022	1	1,235	1	343
ZR 2 sp. z o.o.	2023	66	2,258	28	56
	2022	1	1,772	20	452
ZR 3 sp. z o.o.	2023	61	1,745	12	21
	2022	1	1,456	2	390
ZR 4 sp. z o.o.	2023	1	1,771	-	74
	2022	2	1,280	-	380
Zielony Rynek 6 BT Kapitał sp. z o.o. sp.k.	2023	-	184	-	-
	2022	5	153	1	41
Mleczarnia Naramowice sp. z o.o.	2023	-	61	-	-
	2022	-	59	-	1
<i>Parties related through key personnel</i>					
Agrofirma Spółdzielcza	2023	9	140	-	-
	2022	7	109	-	5
TBE sp. z o.o.	2023	2	2,832	-	292
	2022	2	1,474	-	268

25. Events after the reporting period

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.