



Quarterly Report
of the „DINO POLSKA” S.A. Group
for Q1 2024



Unofficial translation. Only the Polish version is binding.

DINO POLSKA Spółka Akcyjna (“Dino”, “Company”, “parent company”)

Joint stock company with its registered office in Krotoszyn at ul. Ostrowska 122, 63-700 Krotoszyn, entered in the register of businesses of the National Court Register under file number 0000408273. NIP no. 6211766191, REGON no. 300820828. The Company’s share capital as at 31 March 2024 was PLN 9,804,000.00 and consisted of 98,040,000 shares with a nominal value of PLN 0.10 each.

This document (“Q1 2024 Report”, “Report”) comprises the condensed quarterly consolidated financial statements (unaudited) of the DINO POLSKA S.A. Group (“Group”, “Dino Group”) for Q1 2024 (“Financial Statements”), the Company’s condensed financial information and additional information required by the pertinent legal regulations.

Unless specified otherwise, the data in this Report comes from Dino. This document was prepared on 9 May 2024 (“Report Date”).

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1. DINO GROUP'S FINANCIAL HIGHLIGHTS

	<i>PLN 000s</i>		<i>EUR 000s*</i>	
	<i>01.01.2024- 31.03.2024</i>	<i>01.01.2023- 31.03.2023</i>	<i>01.01.2024- 31.03.2024</i>	<i>01.01.2023- 31.03.2023</i>
Sales revenue	6,671,246	5,544,294	1,543,877	1,179,512
Operating profit	397,521	375,696	91,995	79,927
Profit before tax	364,637	333,951	84,385	71,046
Net profit	295,248	270,654	68,327	57,580
Number of shares	98,040,000	98,040,000	98,040,000	98,040,000
Basic / diluted earnings per share in PLN, EUR	3.01	2.76	0.70	0.59
Cash flow from operating activities	435,681	243,284	100,826	51,757
Cash flow from investing activities	(327,779)	(309,675)	(75,855)	(65,881)
Cash flow from financing activities	76,808	(88,520)	17,775	(18,832)
Net change in cash and cash equivalents	184,710	(154,911)	42,746	(32,956)

* 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 was used:

- average NBP exchange rate for Q1 2024:	4.3211
- average NBP exchange rate for Q1 2023:	4.7005

	<i>PLN 000s</i>		<i>EUR 000s*</i>	
	<i>31.03.2024</i>	<i>31.12.2023</i>	<i>31.03.2024</i>	<i>31.12.2023</i>
Total assets	10,585,951	10,377,715	2,461,334	2,386,779
Total non-current assets	7,353,648	7,124,550	1,709,793	1,638,581
Total current assets	3,232,303	3,253,165	751,541	748,198
Equity	5,900,559	5,605,311	1,371,936	1,289,170
Share capital	9,804	9,804	2,280	2,255
Non-current liabilities	1,027,932	893,111	239,004	205,407
Current liabilities	3,657,460	3,879,293	850,394	892,202

* 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 March 2024:	4.3009
- NBP's average exchange rate as at 31 December 2023:	4.3480

2. MANAGEMENT BOARD ACTIVITY REPORT

2.1. Operations of the Dino Group

2.1.1. Business profile

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

As at 31 March 2024, the Dino network consisted of 2,438 stores with a total selling area of 960,857 square meters. Dino Polska has many years of experience and a proven capacity to open new stores, enabling it to grow its store count by 906, i.e. 59%, in the period of three years up to 31 March 2024. Its network expansion has been accompanied by significant like for like (LFL) revenue growth in its current store network, which in the period of January-March 2024 stood at 11.9% compared to the corresponding period of last year. Dino Polska continues to develop its network rapidly, consistently looking for sites for its new stores.

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

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

Dino's strategy assumes further business development by focusing on three key areas:

- continuation of rapid organic growth in the number of stores – the Management Board of Dino Polska intends to maintain the high pace of growth of the selling area in Dino stores in subsequent years. The Management Board of Dino Polska plans to continue to leverage the network's ability to grow organically in its current form by doing the following: (i) continuing to drive up its store density in its current areas of operation and (ii) steadily expanding in new regions, which ultimately should have a similar saturation of Dino stores to other regions;
- continuing to grow LFL sales revenues in the current store network – to continue growing LFL sales revenues in the existing store network, Dino Polska will take actions to augment customer traffic in Dino stores and the basket value per customer;
- consistent improvement of profitability – in past years Dino Polska generated robust growth in its gross margin and EBITDA margin. The aim is to continue to improve profitability by expanding the scale of operations and thanks to the favorable business model and strategic initiatives undertaken by Dino Polska.

Dino Polska gives consideration to risks related to its climate impact and the climate's impact on the business model selected by Dino Polska. Conserving and managing natural resources rationally are firmly entrenched in our organizational culture, while our strategy aims to curtail gradually the environmental impact exerted by the operations of the Dino Polska Group. In 2024 Dino Polska has continued to install photovoltaic panels on the rooftops of Dino stores whereby the Dino Group's electricity demand is being satisfied to an ever greater degree by renewable energy sources. In Q1 2024 the number of Dino stores outfitted with their own photovoltaic installations rose by 72 to 2,210. The total capacity of the PV installations owned by Dino Polska climbed over the last 12 months by 29% to 88 MW. In the period from January to March 2024 Dino Polska generated 10.4 GWh of electricity from the sun versus 7.6 GWh in the corresponding period of 2023.

2.1.2. Recap of the Dino Group's operations in Q1 2024

In Q1 2024, the Dino Group's revenue totaled PLN 6,671.2 million and was PLN 1,127.0 million, i.e. 20.3% higher than in Q1 2023. Concurrently, the cost of sales rose 21.9% to PLN 5,131.6 million.

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

(PLN 000s)	Q1 2024	Q1 2023	change
Sales revenue	6,671,246	5,544,294	20.3%
Cost of sales	(5,131,645)	(4,209,253)	21.9%
Gross profit on sales	1,539,601	1,335,041	15.3%
Other operating income	3,233	4,829	-33.1%
Sales and marketing expenses	(1,090,487)	(930,065)	17.2%
General administration expenses	(51,688)	(32,012)	61.5%
Other operating expenses	(3,138)	(2,097)	49.6%
Operating profit	397,521	375,696	5.8%
Financial income	1,560	964	61.8%
Financial expenses	(34,444)	(42,709)	-19.4%
Profit before tax	364,637	333,951	9.2%
Income tax	(69,389)	(63,297)	9.6%
Net profit	295,248	270,654	9.1%

In Q1 2024 profit measured by EBITDA grew year on year by 7.4% to PLN 492.1 million. The EBITDA margin was 7.4% versus the 8.3% margin posted one year ago. The decline in the EBITDA margin stemmed from the cost of sales growing at a faster pace than sales revenue, which in turn was the consequence of having to provide an attractive price offering in Dino stores during the period preceding the Easter Holiday and faced with fiercer price competition on the retail grocery market in Poland.

The following table presents EBITDA.

(PLN 000s)	Q1 2024	Q1 2023	change
Net profit	295,248	270,654	9.1%
Income tax	69,389	63,297	9.6%
Negative result on financing activity	32,884	41,745	-21.2%
EBIT	397,521	375,696	5.8%
<i>EBIT margin</i>	6.0%	6.8%	-
Depreciation and amortization	94,576	82,508	14.6%
EBITDA	492,097	458,204	7.4%
<i>EBITDA margin</i>	7.4%	8.3%	-

Sales revenue

Significant top line improvement is the outcome of Dino's store network roll-out to open new stores and growing revenues in the current store network (like for like, LfL)¹. LfL sales growth in Q1 2024 was 11.9%, following 27.2% growth in the corresponding period of 2023.

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

%	Q1 2024	Q1 2023	2023	2022	2021
Inflation (deflation)	2.8	17.0	11.4	14.4	5.1
Food and beverage price inflation	2.6	22.9	15.1	15.4	3.2
Dino's LfL	11.9	27.2	17.2	28.5	12.4

¹ Stores are included in the calculation of LfL revenues starting from the 13th full month of their existence.

Fresh products, including meat, cold cuts and poultry accounted for 41.1% of the Group's sales in Q1 2024.

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

%	Q1 2024	Q1 2023
Fresh products	41.1	42.0
Other groceries*	46.8	46.2
Non-grocery products	12.1	11.8

* in particular: children's food, breakfast products, ready to eat meals, beverages, candies, snacks, frozen food, processed goods, oils, grain and bulk products, condiments and alcohol and cigarettes

Dino store network roll-out

In Q1 2024 Dino Polska S.A. opened 32 new stores. At the end of March 2024, the Dino network consisted of 2,438 stores with a total selling area of 960.9 thousand square meters (+10.5% yoy). One year ago in Q1 Dino Polska launched 54 new stores.

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

	as at 31 March		as at 31 December		
	2024	2023	2023	2022	2021
Number of new store openings in the quarter/year	32	54	250	344	343
Total number of stores	2,438	2,210	2,406	2,156	1,815
Total selling area (m ²)	960,857	869,417	947,919	847,817	710,433

Cost of sales

The cost of sales was 76.9% and 75.9% of revenue, respectively in Q1 2024 and Q1 2023. The cost of sales rose PLN 922.4 million, i.e. by 21.9% to PLN 5,131.6 million in Q1 2024 compared to PLN 4,209.3 million in Q1 2023, with a 20.3% increase of revenue. This growth was caused mainly by the Dino Group's growing business size in connection with the expansion of the Dino store network and rising sales in the current store network (LFL).

Sales and marketing expenses

Sales and marketing expenses grew by PLN 160.4 million, i.e. 17.2% to PLN 1,090.5 million in Q1 2024 compared to PLN 930.1 million in Q1 2023. This growth was mainly driven by the Dino Group's growing business size and the related expansion of the current store network and rising LFL sales, thereby necessitating the incurring of higher costs associated with store upkeep, storage of merchandise and marketing.

General administration expenses

General administration expenses climbed PLN 19.7 million to PLN 51.7 million in Q1 2024 compared to PLN 32.0 million in Q1 2023.

Costs by nature

The following table presents costs by nature.

(PLN 000s)	Q1 2024	Q1 2023	change
Depreciation and amortization	94,576	82,508	14.6%
Consumption of materials and energy	602,230	564,641	6.7%
External services	183,443	142,277	28.9%
Taxes and fees	129,055	100,507	28.4%
Costs of employee benefits	846,670	638,939	32.5%
Other costs by nature	22,900	23,196	-1.3%
Cost of goods and materials sold	4,399,133	3,637,867	20.9%
Total costs by nature, including:	6,278,007	5,189,935	21.0%
Items captured in cost of sales	5,131,645	4,209,253	21.9%
Items captured in sales and marketing expenses	1,090,487	930,065	17.2%
Items captured in general administration expenses	51,688	32,012	61.5%
Movement in products	4,187	18,605	-77.5%

Total costs by nature increased by PLN 1,088.1 million, or 21.0%, to PLN 6,278.0 million in Q1 2024, compared to PLN 5,189.9 million in Q1 2023, mainly as a result of higher: (i) cost of merchandise and materials sold (by PLN 761.3 million) and (iii) costs of employee benefits (by PLN 207.7 million). This growth was caused mainly by the expansion of the Dino store network and rising sales in the current store network (LFL).

The costs of employee benefits rose PLN 207.7 million, i.e. 32.5% to PLN 846.7 million in Q1 2024 compared to PLN 638.9 million in Q1 2023. This growth resulted primarily from the number of Dino Group employees rising from 38,089 as at 31 March 2023 to 42,432 as at 31 March 2024 in connection with the Dino Group's expanding business size and the related expansion of the Dino store network and rising LFL sales in the current store network and from the higher average salary in the Dino Group.

Consumption of materials and energy increased by PLN 37.6 million, or 6.7%, to PLN 602.2 million in Q1 2024 compared to PLN 564.6 million in Q1 2023. This growth was caused by the Dino Group's growing business size and was partially offset by the lower price of electricity.

External services, which comprised in particular transportation services, lease and tenancy services and maintenance and supervision services increased by PLN 41.2 million, or 28.9%, to PLN 183.4 million in Q1 2024 compared to PLN 142.3 million in Q1 2023. This growth was caused by the Dino Group's growing business size, the related expansion of the Dino store network, rising LFL sales in the current store network and price hikes for some services.

Financial expenses

The Dino Group's financial expenses fell PLN 8.3 million, or 19.4%, to PLN 34.4 million in Q1 2024 compared to PLN 42.7 million in Q1 2023. This decline ensued from the lower level of debt in Q1 2024 than a year ago.

Balance sheet – assets

The table below presents selected line items of the balance sheet.

(PLN 000s)	31.03.2024	31.12.2023	31.03.2023	Change 31.03.24 / 31.12.23	Change 31.03.24 / 31.03.23
Property, plant and equipment	7,126,146	6,874,672	6,235,892	3.7%	14.3%
Right-of-use assets	90,791	93,499	99,886	-2.9%	-9.1%
Intangible assets	115,428	115,056	94,562	0.3%	22.1%
Deferred tax assets	21,283	41,323	24,997	-48.5%	-14.9%
Total non-current assets	7,353,648	7,124,550	6,455,337	3.2%	13.9%
Inventories	2,490,667	2,638,859	2,018,844	-5.6%	23.4%
Trade and other receivables	244,539	330,492	156,882	-26.0%	55.9%
Other non-financial assets	92,691	64,049	104,031	44.7%	-10.9%
Other financial assets	1,307	1,376	1,370	-5.0%	-4.6%
Cash and cash equivalents	403,099	218,389	227,807	84.6%	76.9%
Total current assets	3,232,303	3,253,165	2,508,934	-0.6%	28.8%
TOTAL ASSETS	10,585,951	10,377,715	8,964,271	2.0%	18.1%

Total assets increased PLN 208.2 million, i.e. 2.0%, from PLN 10,377.7 million as at 31 December 2023 to PLN 10,586.0 million as at 31 March 2024. Compared to 31 March 2023, total assets rose by PLN 1,621.7 million, or 18.1%.

As at 31 March 2024, the main components of total assets were: (i) property, plant and equipment (constituting 67.3%), (ii) inventories (constituting 23.5%) and (iii) cash and cash equivalents (constituting 3.8%).

Non-current assets increased by PLN 229.1 million, or by 3.2% from PLN 7,124.6 million as at 31 December 2023 to PLN 7,353.6 million as at 31 March 2024. This increase was caused mainly by an increase in property, plant and equipment, which in turn was caused primarily by the growth of the Dino sales network and capital expenditures.

Current assets fell PLN 20.9 million, i.e. 0.6% from PLN 3,253.2 million as at 31 December 2023 to PLN 3,232.3 million as at 31 March 2024. This decline was caused by a decrease of PLN 148.2 million in inventories and trade and other receivables.

Balance sheet – liabilities and equity

The table below presents selected line items of the balance sheet.

(PLN 000s)	31.03.2024	31.12.2023	31.03.2023	Change 31.03.24 / 31.12.23	Change 31.03.24 / 31.03.23
Share capital	9,804	9,804	9,804	0.0%	0.0%
Supplementary capital	4,652,148	4,652,148	3,512,022	0.0%	32.5%
Retained earnings	1,231,107	935,859	945,111	31.5%	30.3%
Other equity	7,500	7,500	7,500	0.0%	0.0%
Total equity	5,900,559	5,605,311	4,474,437	5.3%	31.9%
Interest-bearing loans and borrowings	573,989	469,629	658,915	22.2%	-12.9%
Lease liabilities (LT)	33,225	35,612	31,738	-6.7%	4.7%
Other liabilities	60	90	120	-33.3%	-50.0%
Liabilities by virtue of outstanding securities (LT)	370,000	370,000	370,000	0.0%	0.0%
Provisions for employee benefits	10,900	10,900	5,794	0.0%	88.1%
Deferred tax liability	39,758	6,880	41,771	477.9%	-4.8%
Total non-current liabilities	1,027,932	893,111	1,108,338	15.1%	-7.3%
Trade and other payables	3,070,932	3,274,908	2,501,212	-6.2%	22.8%
Current part of interest-bearing loans and borrowings ...	289,523	278,588	400,775	3.9%	-27.8%
Lease liabilities (ST)	14,038	14,565	16,236	-3.6%	-13.5%
Liabilities by virtue of outstanding securities (ST)	4,852	4,784	260,235	1.4%	-98.1%
Income tax liabilities	131,282	176,736	105,035	-25.7%	25.0%
Accruals and deferred revenue (ST)	145,385	128,264	97,038	13.3%	49.8%
Provisions for employee benefits and other provisions	1,448	1,448	965	0.0%	50.1%
Total current liabilities	3,657,460	3,879,293	3,381,496	-5.7%	8.2%
Total liabilities	4,685,392	4,772,404	4,489,834	-1.8%	4.4%
TOTAL EQUITY AND LIABILITIES	10,585,951	10,377,715	8,964,271	2.0%	18.1%

As at 31 March 2024, the main components of liabilities were: (i) trade and other payables representing 65.5%; (ii) interest-bearing loans and borrowings (non-current) representing 12.3% and (iii) liabilities by virtue of outstanding securities (non-current) representing 7.9%.

Total liabilities fell by PLN 87.0 million, i.e. 1.8%, from PLN 4,772.4 million as at 31 December 2023 to PLN 4,685.4 million as at 31 March 2024. Total liabilities rose by PLN 195.6 million, or 4.4% from PLN 4,489.8 million as at 31 March 2023 to PLN 4,685.4 million as at 31 March 2024.

Non-current liabilities rose by PLN 134.8 million, i.e. 15.1%, from PLN 893.1 million as at 31 December 2023 to PLN 1,027.9 million as at 31 March 2024. Current liabilities fell PLN 221.8 million, or 5.7% from PLN 3,879.3 million as at 31 December 2023 to PLN 3,657.5 million, chiefly due to the drop in trade and other liabilities.

The Dino Group's net debt² stood at PLN 882.5 million as at 31 March 2024, signifying a decline of PLN 72.3 million compared to 31 December 2023 and a decline of PLN 627.6 million compared to 31 March 2023. The net debt to EBITDA ratio for the last 12 months was 0.39x as at 31 March 2024. As at 31 March 2023 it was 0.77x.

² Defined as interest-bearing loans and borrowings and liabilities under lease agreements + liabilities by virtue of outstanding securities + current part of interest-bearing loans and borrowings and lease liabilities minus cash and cash equivalents.

Cash flows

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

(PLN 000s)	Q1 2024	Q1 2023	change
Net cash from operating activities, including:	435,681	243,284	79.1%
<i>profit before tax</i>	364,637	333,951	9.2%
<i>depreciation and amortization</i>	94,576	82,508	14.6%
<i>movement in working capital</i>	41,271	(116,838)	-135.3%
<i>other</i>	(64,803)	(56,337)	15.0%
Net cash from investing activities	(327,779)	(309,675)	5.8%
Net cash from financing activities	76,808	(88,520)	-
Net increase in cash and cash equivalents	184,710	(154,911)	-219.2%

Net cash flow from operating activities in Q1 2024 was PLN 435.7 million and was higher than in Q1 2023. Net cash flow from investing activities totaled PLN (327.8) million in Q1 2024, while it was PLN (309.7) million one year ago. The predominant portion of capital expenditures was incurred for the geographic expansion of the Dino store network and to build the Company's new distribution centers. At the turn of Q1 and Q2 2024 the Company launched its 9th distribution center in the community of Bolewicko in the Greater Poland region.

2.1.3. Factors impacting Dino's operations and results

In the opinion of the Dino Management Board, the following factors will affect the Dino Group's business in the upcoming quarters of 2024:

- macroeconomic situation in Poland, also accompanied by the minimum wage hike and the operation of social programs augmenting consumers' disposable income and spending on the consumption of consumer staples;
- low unemployment, which coupled with higher salaries in Poland will translate into the Group's operating expenses continuing to rise;
- the Dino network's price policy calling for setting the prices of key products at the levels set by discount stores, which in the face of price competition on the retail grocery market in Poland may exert additional pressure on the Dino Group's gross margin; furthermore significant volatility in the prices of agricultural commodities and the costs at which store networks purchase products from food producers, calls for constantly adjusting the price offering to consumers and may contribute to elevated volatility of the gross margin;
- lower electricity prices and Dino's successive investments in renewable energy sources, which should deliver savings in electricity purchase costs;
- the pace of new store openings by Dino Polska and the related capital expenditures; the Company's Management Board expects that in 2024 the total number of Dino stores will grow by a low double digit percentage figure while total capital expenditures will be roughly PLN 1.5-1.6 billion (which, on top of store network rollout, consists of capital expenditures for the logistics base and the expansion of the Agro-Rydzyna meat processing plant and the construction of a smaller meat separation plant);
- changing trends and habits among consumers (in particular an active lifestyle, less leisure time, higher frequency and shortened duration of shopping, attaching greater attention to the convenient location of stores) which lead to sales stagnation in large-format stores and sales growth in those segments that make it possible to do shopping quickly.

One special factor that may affect Dino Polska's business in 2024 is the war in Ukraine. Although Dino Polska does not operate outside Poland and it does not procure products in Russia while products from Ukraine represent a small portion of sales, and therefore, on the Report Date, it has not identified a direct material impact exerted by the war on the Company's business, one cannot preclude that as a result of escalation of the military conflict, its impact on Ukraine's economy and due to the sanctions imposed on Russia, disruptions may emerge on the international markets for agricultural products and other commodities. That in turn may ratchet up the pressure to increase the costs of producing foodstuffs. These costs may subsequently be passed on to store networks and that may also generally contribute to even higher operating expenses among food producers and distributors. The

possible impact of a military conflict in a country neighboring with Poland on the sentiment of Polish consumers may be mitigated in the case of Dino Polska's business by the fact that Dino stores distribute food, in other words, staples. To counteract the risks related to the war in Ukraine Dino Polska takes initiatives focused on enlarging the group of food producers with which it cooperates and on strengthening relations with suppliers. To ensure greater product availability in Dino stores the Company strives to maintain high levels of inventories in its distribution centers. Concurrently, to ensure that Dino stores are attractive to consumers, and thereby to sustain the favorable growth rate in revenue, the prices of several hundred key products are regularly checked and set at a competitive level in respect of discount networks.

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

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

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

Shareholding structure of DINO POLSKA S.A. as at the Report Date

	Number of shares and number of votes at the Shareholder Meeting	Percentage of share capital and votes at the Shareholder Meeting
Tomasz Biernacki with a subsidiary ³	50,160,000	51.16%
Other shareholders	47,880,000	48.84%

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

Michał Krauze, a Management Board Member held 30,000 shares in the Company as at the Report Date. Compared to the publication date of the 2023 annual report, the number of shares held by Michał Krauze has not changed. Izabela Biadała, Management Board Member, held 80 shares in the Company as at the Report Date (no change compared to the publication date of the 2023 annual report). Piotr Ścigała, a Management Board Member, did not hold any shares in the Company as at the Report Date or as at the publication date of the 2023 annual report. The following Supervisory Board members held shares in Dino as at the Report Date: Tomasz Biernacki (Supervisory Board Chairman) – as detailed in the table above, Eryk Bajer (Supervisory Board Member) – 36,307 shares (jointly with a controlled entity), Sławomir Jakszuk (Supervisory Board Member) – 1,600 shares and Piotr Borowski (Supervisory Board Member) – 10 shares. The number of Dino Polska shares held by the Company's Supervisory Board Members has not changed since the date of conveying the 2023 annual report.

2.3. Operating Segments

The DINO POLSKA S.A. Group runs its operations in one business sector and has one operating and reporting segment in the form of retail sales. Its revenues may be broken down by product group. The Company's Management Board does not analyze results in various product groups by 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.

<i>(PLN 000s)</i>	<i>Q1 2024</i>	<i>Q1 2023</i>
Revenue on sales of products and services	828,804	665,297
Revenue on sales of goods and materials	5,842,442	4,878,997
Total	6,671,246	5,544,294

³ BT Kapital Sp. z o.o., a subsidiary of Tomasz Biernacki, holds 160 thousand Company shares.

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

3.1. Condensed consolidated statement of profit or loss

for the period from 1 January 2024 to 31 March 2024

(in thousands of PLN)

	<i>01.01.2024- 31.03.2024</i>	<i>01.01.2023- 31.03.2023</i>
Sales revenue	6,671,246	5,544,294
Cost of sales	(5,131,645)	(4,209,253)
Gross profit on sales	1,539,601	1,335,041
Other operating income	3,233	4,829
Sales and marketing expenses	(1,090,487)	(930,065)
General administration expenses	(51,688)	(32,012)
Other operating expenses	(3,138)	(2,097)
Operating profit	397,521	375,696
Financial income	1,560	964
Financial expenses	(34,444)	(42,709)
Profit before tax	364,637	333,951
Income tax	(69,389)	(63,297)
Net profit	295,248	270,654
Profit attributable:		
To owners of the parent	295,248	270,654
Earnings per share:		
– basic earnings from profit attributable to owners of the parent	3.01	2.76
– diluted earnings from profit attributable to owners of the parent	3.01	2.76

3.2. Condensed consolidated statement of comprehensive income

for the period from 1 January 2024 to 31 March 2024

(in thousands of PLN)

	<u>01.01.2024- 31.03.2024</u>	<u>01.01.2023- 31.03.2023</u>
Net profit for the reporting period	295,248	270,654
<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	295,248	270,654
Comprehensive income attributable:		
To owners of the parent	295,248	270,654

3.3. Condensed consolidated statement of financial position

as at 31 March 2024

(in thousands of PLN)

	31.03.2024	31.12.2023	31.03.2023
ASSETS			
Property, plant and equipment	7,126,146	6,874,672	6,235,892
Right-of-use assets	90,791	93,499	99,886
Intangible assets	115,428	115,056	94,562
Deferred tax assets	21,283	41,323	24,997
Total non-current assets	7,353,648	7,124,550	6,455,337
Inventories	2,490,667	2,638,859	2,018,844
Trade and other receivables	244,539	330,492	156,882
Other non-financial assets	92,691	64,049	104,031
Other financial assets	1,307	1,376	1,370
Cash and cash equivalents	403,099	218,389	227,807
Total current assets	3,232,303	3,253,165	2,508,934
TOTAL ASSETS	10,585,951	10,377,715	8,964,271
EQUITY AND LIABILITIES			
Equity (attributable to owners of the parent)	5,900,559	5,605,311	4,474,437
Share capital	9,804	9,804	9,804
Supplementary capital	4,652,148	4,652,148	3,512,022
Retained earnings	1,231,107	935,859	945,111
Other equity	7,500	7,500	7,500
Non-controlling interests	-	-	-
Total equity	5,900,559	5,605,311	4,474,437
Loans and borrowings	573,989	469,629	658,915
Lease liabilities	33,225	35,612	31,738
Liabilities by virtue of outstanding securities	370,000	370,000	370,000
Other liabilities	60	90	120
Provisions for employee benefits	10,900	10,900	5,794
Deferred tax liability	39,758	6,880	41,771
Total non-current liabilities	1,027,932	893,111	1,108,338
Trade and other payables	3,070,932	3,274,908	2,501,212
Loans and borrowings	289,523	278,588	400,775
Lease liabilities	14,038	14,565	16,236
Liabilities by virtue of outstanding securities	4,852	4,784	260,235
Income tax liabilities	131,282	176,736	105,035
Accruals and deferred revenue	145,385	128,264	97,038
Provisions for employee benefits	1,448	1,448	965
Total current liabilities	3,657,460	3,879,293	3,381,496
Total liabilities	4,685,392	4,772,404	4,489,834
TOTAL EQUITY AND LIABILITIES	10,585,951	10,377,715	8,964,271

3.4. Condensed consolidated statement of cash flows

for the period from 1 January 2024 to 31 March 2024

(in thousands of PLN)

	01.01.2024- 31.03.2024	01.01.2023- 31.03.2023
Cash flow from operating activities		
<i>Profit before tax</i>	364,637	333,951
<i>Adjustments for the line items:</i>	71,044	(90,667)
Depreciation and amortization	94,576	82,508
(Profit)/loss on investment activity	2,162	1,657
Movement in trade receivables and other receivables	112,730	151,640
Movement in inventories	148,193	(40,066)
Movement in liabilities, except for loans and borrowings	(219,652)	(228,412)
Interest revenue	(1,479)	(852)
Interest expense	34,406	42,666
Movement in prepayments, accruals and deferred revenue	(38,030)	(57,055)
Income tax paid	(61,862)	(42,753)
Net cash from operating activities	435,681	243,284
Cash flow from investing activities		
Sale of property, plant and equipment and intangible assets	477	595
Purchase of property, plant and equipment and intangible assets	(329,804)	(310,994)
Interest received	1,479	852
Repayment of extended borrowings	472	447
Granting of loans	(403)	(575)
Net cash from investing activities	(327,779)	(309,675)
Cash flow from financing activities		
Payment of lease liabilities	(4,148)	(5,237)
Loan proceeds	199,982	46,011
Repayment of loans	(84,688)	(87,340)
Interest paid	(34,338)	(41,954)
Net cash from financing activities	76,808	(88,520)
Net increase in cash and cash equivalents	184,710	(154,911)
Cash at the beginning of the period	218,389	382,718
Cash at the end of the period	403,099	227,807

3.5. Condensed consolidated statement of changes in equity

for the period from 1 January 2024 to 31 March 2024

(in thousands of PLN)

	Attributable to owners of the parent				
	Share capital	Supplementary capital	Retained earnings	Other equity	Total
As at 1 January 2023	9,804	3,512,022	674,457	7,500	4,203,783
Net profit for the 3-month period of 2023	-	-	270,654	-	270,654
Net other comprehensive income for the 3-month period of 2023	-	-	-	-	-
<i>Comprehensive income for the 3-month period of 2023</i>	-	-	270,654	-	270,654
As at 31 March 2023	9,804	3,512,022	945,111	7,500	4,474,437
As at 1 January 2023	9,804	3,512,022	674,457	7,500	4,203,783
Net profit for 2023	-	-	1,405,327	-	1,405,327
Net other comprehensive income for 2023	-	-	(3,799)	-	(3,799)
<i>Comprehensive income for the year</i>	-	-	1,401,528	-	1,401,528
Distribution of the 2022 financial result	-	1,140,126	(1,140,126)	-	-
As at 31 December 2023	9,804	4,652,148	935,859	7,500	5,605,311
As at 1 January 2024	9,804	4,652,148	935,859	7,500	5,605,311
Net profit for the 3-month period of 2024	-	-	295,248	-	295,248
Net other comprehensive income for the 3-month period of 2024	-	-	-	-	-
<i>Comprehensive income for the 3-month period of 2024</i>	-	-	295,248	-	295,248
As at 31 March 2024	9,804	4,652,148	1,231,107	7,500	5,900,559

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

4.1. Selected standalone financial data

	<i>PLN 000s</i>		<i>EUR 000s*</i>	
	<i>01.01.2024- 31.03.2024</i>	<i>01.01.2023- 31.03.2023</i>	<i>01.01.2024- 31.03.2024</i>	<i>01.01.2023- 31.03.2023</i>
Sales revenue	6,676,114	5,539,974	1,545,003	1,178,592
Operating profit	308,757	312,616	71,453	66,507
Profit before tax	278,003	275,072	64,336	58,520
Net profit	225,183	222,920	52,112	47,425
Number of shares	98,040,000	98,040,000	98,040,000	98,040,000
Basic / diluted earnings per share in PLN, EUR	2.30	2.27	0.53	0.48
Cash flow from operating activities	376,067	194,581	87,030	41,396
Cash flow from investing activities	(156,102)	(262,882)	(36,126)	(55,926)
Cash flow from financing activities	(40,679)	(81,189)	(9,414)	(17,272)
Net change in cash and cash equivalents	179,286	(149,490)	41,491	(31,802)

* 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 was used:

- average NBP exchange rate for Q1 2024: 4.3211

- average NBP exchange rate for Q1 2023: 4.7005

	<i>PLN 000s</i>		<i>EUR 000s*</i>	
	<i>31.03.2024</i>	<i>31.12.2023</i>	<i>31.03.2024</i>	<i>31.12.2023</i>
Total assets	9,678,298	9,626,160	2,250,296	2,213,928
Total non-current assets	6,306,920	6,122,790	1,466,419	1,408,185
Total current assets	3,371,378	3,503,370	783,877	805,743
Equity	4,598,243	4,373,060	1,069,135	1,005,764
Share capital	9,804	9,804	2,280	2,255
Non-current liabilities	773,459	737,918	179,837	169,714
Current liabilities	4,007,704	4,295,044	931,829	987,821

* 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 March 2024: 4.3009

- NBP's average exchange rate as at 31 December 2023: 4.3480

4.2. Condensed standalone statement of profit or loss

for the period from 1 January 2024 to 31 March 2024

(in thousands of PLN)

	<u>01.01.2024-</u> <u>31.03.2024</u>	<u>01.01.2023-</u> <u>31.03.2023</u>
A. Net revenues on sales and equivalents	6,676,114	5,539,974
I. Net revenue on sales of products	42,133	32,051
IV. Net revenue on sales of goods and materials	6,633,981	5,507,923
B. Operating expenses	6,367,095	5,229,639
I. Depreciation and amortization	74,156	64,943
II. Consumption of materials and energy	84,649	120,753
III. External services	257,783	204,012
IV. Taxes and fees	123,131	96,111
V. Employee benefits	638,771	478,230
VI. Social security and other benefits, of which:	142,489	110,029
VII. Other costs by nature	22,431	22,855
VIII. Cost of goods and materials sold	5,023,685	4,132,706
C. Sales profit (loss) (A – B)	309,019	310,335
D. Other operating income	2,827	4,374
E. Other operating expenses	3,089	2,093
F. Operating profit (loss) (C+D-E)	308,757	312,616
G. Financial income	6,690	5,948
H. Financial expenses	37,444	43,492
I. Profit / (loss) before tax (F + G - H)	278,003	275,072
J. Income tax	52,820	52,152
K. Other compulsory reductions in profit (increases in losses)	-	-
L. Net profit (loss) (I – J – K)	225,183	222,920

4.3. Condensed standalone balance sheet

as at 31 March 2024

(in thousands of PLN)

	<u>31.03.2024</u>	<u>31.12.2023</u>	<u>31.03.2023</u>
Assets			
A. Non-current assets	6,306,920	6,122,790	5,598,023
I. Intangible assets	19,387	15,380	18,164
II. Property, plant and equipment	5,413,085	5,245,637	4,730,322
III. Non-current receivables	-	-	-
IV. Non-current investments	755,826	755,826	755,831
V. Non-current prepayments and accruals	118,622	105,947	93,706
B. Current assets	3,371,378	3,503,370	2,636,742
I. Inventories	2,407,022	2,560,418	1,925,670
II. Current receivables	278,410	396,163	186,219
III. Current investments	641,896	541,686	466,580
IV. Current prepayments and accruals	44,050	5,103	58,273
C. Contributions due to share capital	-	-	-
D. Treasury stock	-	-	-
Total assets	9,678,298	9,626,160	8,234,765

(in thousands of PLN)

	<u>31.03.2024</u>	<u>31.12.2023</u>	<u>31.03.2023</u>
Equity and liabilities			
A. Equity	4,598,243	4,373,060	3,424,930
I. Share capital	9,804	9,804	9,804
II. Supplementary capital	3,161,858	3,161,858	2,267,272
III. Revaluation reserve (fund)	-	-	-
IV. Other reserve capital	-	-	-
V. Profit (loss) brought forward	1,171,050	-	894,586
VI. Net profit (loss)	225,183	1,171,050	222,920
VII. Other items of equity	30,348	30,348	30,348
VIII. Charges to net profit during the financial year (negative figure)	-	-	-
B. Liabilities and provisions for liabilities	5,080,055	5,253,100	4,809,835
I. Provisions for liabilities	167,418	101,923	137,575
II. Non-current liabilities	773,459	737,918	894,336
III. Current liabilities	4,007,704	4,295,044	3,690,964
IV. Accruals and deferred revenue	131,474	118,215	86,960
Total liabilities and equity	9,678,298	9,626,160	8,234,765

4.4. Condensed standalone statement of cash flows

for the period from 1 January 2024 to 31 March 2024

(in thousands of PLN)

	<u>01.01.2024- 31.03.2024</u>	<u>01.01.2023- 31.03.2023</u>
A. Cash flow from operating activities		
I. Net profit (loss)	225,183	222,920
II. Total adjustments	150,884	(28,339)
1. Depreciation and amortization	74,156	64,943
2. Gains (losses) arising from changes in foreign currency exchange rates	-	-
3. Interest and profit sharing (dividends)	28,820	90,054
4. Profit (loss) on investing activity	2,214	1,664
5. Movement in provisions	65,495	38,910
6. Movement in inventories	153,396	(7,401)
7. Movement in receivables	118,098	149,604
8. Movement in current liabilities, except for loans and borrowings	(252,932)	(317,997)
9. Movement in prepayments, accruals and deferred revenue	(38,363)	(48,116)
III. Net cash flow from operating activities (I±II)	376,067	194,581
B. Cash flow from investing activities		
I. Inflows	101,571	6,287
1. Sale of intangible assets and property, plant and equipment	756	526
2. Sale of investments in real property and intangible assets	-	-
3. From financial assets, of which:	100,815	5,761
a) in related entities	100,000	5,545
b) in other entities	815	216
- interest	815	216
4. Other investment proceeds	-	-
II. Outflows	(257,673)	(269,169)
1. Purchase of intangible assets and property, plant and equipment	(241,973)	(239,124)
2. Investments in real property and intangible assets	-	-
3. Towards financial assets, of which:	(15,700)	(30,045)
a) in related entities	(15,700)	(30,045)
b) in other entities	-	-
4. Other investment expenditures	-	-
III. Net cash flow from investing activities (I+II)	(156,102)	(262,882)
C. Cash flow from financing activities		
I. Inflows	99,982	46,011
1. Net inflows on the delivery of shares (share issue) and other equity instruments and capital contributions	-	-
2. Loans and borrowings	99,982	46,011
3. Issue of debt securities	-	-
4. Other financial proceeds	-	-
II. Outflows	(140,661)	(127,200)
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	(111,061)	(61,272)
5. Redemption of debt securities	-	-
6. On account of other financial liabilities	-	-
7. Payment of finance lease liabilities	(217)	(1,022)
8. Interest	(29,383)	(41,189)
9. Other financial expenditures	-	(23,717)
III. Net cash from financing activities (I+II)	(40,679)	(81,189)
D. Total net cash flow (A.III±B.III±C.III)	179,286	(149,490)
E. Balance sheet movement in cash, including	179,286	(149,490)
- movement in cash arising from changes in foreign currency exchange rates	-	-
F. Cash at the beginning of the period	177,126	342,029
G. Cash at the end of the period (F±D), including	356,412	192,539
- restricted cash	118	17

4.5. Condensed standalone statement of changes in equity

for the period from 1 January 2024 to 31 March 2024

(in thousands of PLN)

	<i>01.01.2024- 31.03.2024</i>	<i>01.01.2023- 31.12.2023</i>	<i>01.01.2023- 31.03.2023</i>
I. Equity at the beginning of the period (OB)	4,373,060	3,202,010	3,202,010
I.a. Equity at the beginning of the period (OB), adjusted	4,373,060	3,202,010	3,202,010
1. Share capital at the beginning of the period	9,804	9,804	9,804
1.1. Movement in share capital	-	-	-
1.2. Share capital at the end of the period	9,804	9,804	9,804
2. Supplementary capital at the beginning of the period	3,161,858	2,267,272	2,267,272
2.1. Changes to supplementary capital	-	894,586	-
(i) increase	-	894,586	-
- profit distribution	-	894,586	-
b) decrease	-	-	-
2.2. Balance of supplementary capital at the end of the period	3,161,858	3,161,858	2,267,272
3. Revaluation reserve at the beginning of the period	-	-	-
3.1. Changes in the revaluation reserve	-	-	-
3.2. Revaluation reserve at the end of the period	-	-	-
4. Other reserve capital at the beginning of the period	-	-	-
4.1. Change in other reserve capital	-	-	-
4.2. Other reserve capital at the end of the period	-	-	-
5. Profit (loss) brought forward at the beginning of the period	1,171,050	894,586	894,586
5.1. Profit brought forward at the beginning of the period	1,171,050	894,586	894,586
5.2. Profit brought forward at the beginning of the period, adjusted	1,171,050	894,586	894,586
(i) increase	-	-	-
b) decrease	-	(894,586)	-
- profit distribution - transfer to supplementary capital	-	(894,586)	-
5.3. Profit brought forward at the end of the period	1,171,050	-	894,586
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	-	-	-
5.7. Profit (loss) brought forward at the end of the period	1,171,050	-	894,586
6. Net result	225,183	1,171,050	222,920
a) net profit	225,183	1,171,050	222,920
b) net loss	-	-	-
c) charges to profit	-	-	-
7. Other items of equity at the beginning of the period	30,348	30,348	30,348
7.1 Change in other items of equity	-	-	-
7. Other items of equity at the end of the period	30,348	30,348	30,348
8. Charges to net profit during the financial year (negative figure)	-	-	-
II. Equity at the end of the period (CB)	4,598,243	4,373,060	3,424,930
III. Equity after considering the proposed distribution of profits (coverage of losses)	4,598,243	4,373,060	3,424,930

5. NOTES TO THE FINANCIAL STATEMENTS

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

Consolidated statements

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

- International Accounting Standard 34 – Interim Financial Reporting and International Financial Reporting Standards (hereinafter “IFRS”) published in the Commission Regulation (EC) no. 1725/2003 of 29 September 2003, as amended,
- to the extent not regulated by the above standards according to the requirements of the Accounting Act of 29 September 1994 (Journal of Laws of 2023, Item 120) and the executive regulations issued on its basis,
- pursuant to the requirements set forth in the Finance Minister’s Regulation of 19 February 2009 on the current and periodic information transmitted by securities issuers (Journal of Laws of 2009, No. 33 Item 259).

The accounting policies are the same as those used to prepare the consolidated financial statements for the year 2023. These interim (quarterly) condensed consolidated financial statements have been prepared based on the assumption that the Group companies will continue as a going concern in the foreseeable future. The interim (condensed) consolidated financial statements for the period from 1 January 2024 to 31 March 2024 were prepared in Polish zloty, rounded to one thousand zloty (unless otherwise stated).

Standalone financial statements

The presented interim (quarterly) condensed standalone financial statements were prepared according to the following:

- provisions of the Accounting Act of 29 September 1994 (Journal of Laws of 2023, Item 120) and the executive regulations issued on its basis,
- pursuant to the requirements set forth in the Finance Minister’s Regulation of 19 February 2009 on the current and periodic information transmitted by securities issuers (Journal of Laws of 2009, No. 33 Item 259).

The accounting policies are the same as those used to prepare the standalone financial statements for the year 2023. These interim (quarterly) standalone financial statements have been prepared with the assumption that the Company will continue its business as a going concern in the foreseeable future. The interim (condensed) standalone financial statements for the period from 1 January 2024 to 31 March 2024 were prepared in Polish zloty, rounded to one thousand zloty (unless otherwise stated).

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 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.

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

(in thousands of PLN)

	<u>31.03.2024</u>
Equity according to PAS	4,598,243
Adjusted depreciation and amortization on account of residual value	1,410
Adjusted depreciation and amortization on account of the separation of components	(10,860)
Adjustment - amortization of trademarks	9,573
Adjustment - lease of fixed assets (IFRS 16)	(4,363)
Equity according to IFRS	4,594,003
Net profit according to PAS	225,183
Adjusted depreciation and amortization on account of residual value	7
Adjusted depreciation and amortization on account of the separation of components	(765)
Adjustment - amortization of trademarks	195
Adjustment - lease of fixed assets (IFRS 16)	1,057
Actuarial gains/losses pertaining to employee benefits	-
Net profit according to IFRS	225,677
Other comprehensive income	-

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 March 2024 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.

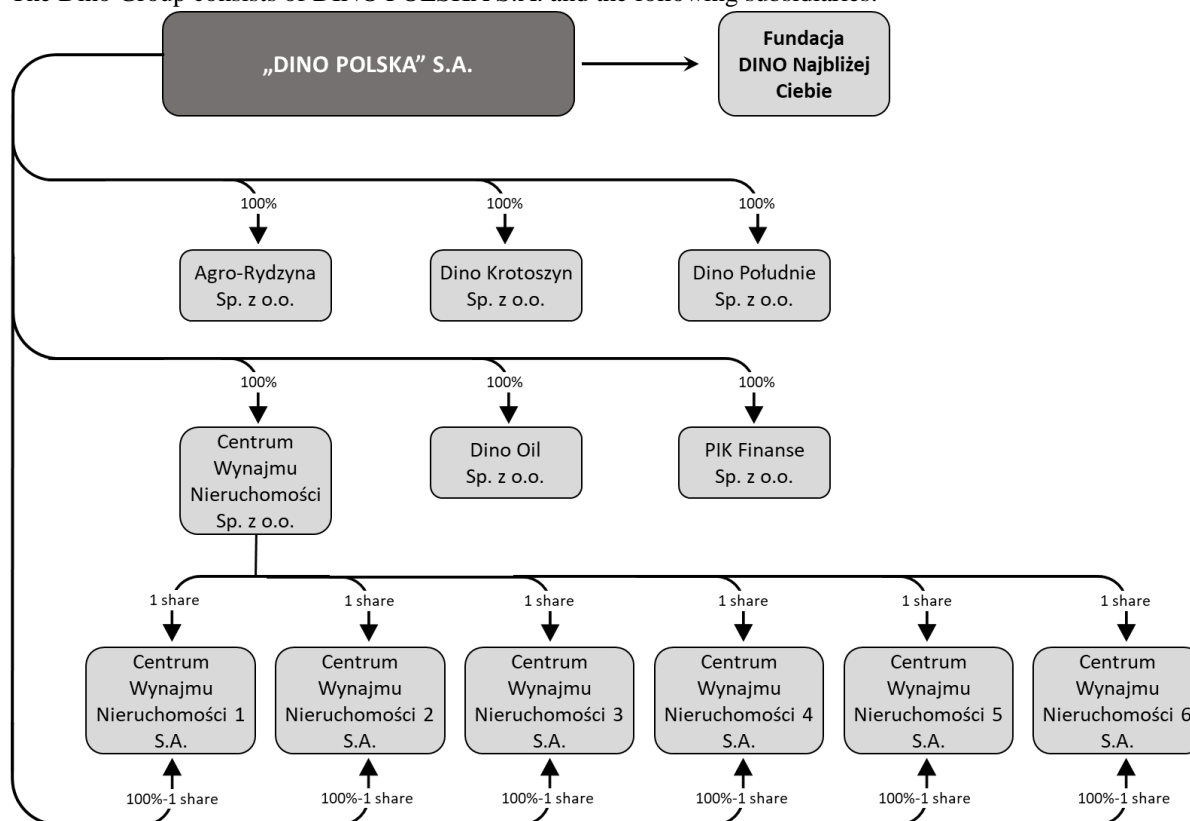
Moreover, according to IFRS, only complete financial statements containing a balance sheet, a statement of comprehensive income and/or a statement of profit or loss, a statement of changes in equity, a statement of cash flows with comparable data and notes may accurately present financial standing, business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

5.2. Group Overview

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

Dino Polska is run by a three-person Management Board in the following composition: Izabela Biadała, Management Board Member and Chief Logistics and Distribution Center Officer, Michał Krauze, Management Board Member and Chief Financial Officer and Piotr Ścigała, Management Board Member and Chief Control Officer. The Company’s Supervisory Board functions in a five-person composition: Tomasz Biernacki, Chairman and members: Eryk Bajer, Sławomir Jakszuk, Piotr Borowski (appointed to the Supervisory Board on 24 January 2024) and Maciej Polanowski.

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



In Q1 2024 there were no major changes to the organization of the Dino Polska Group.

5.3. Seasonality and business cycles

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

5.4. Other information

Non-recurring amounts and events

No atypical events affecting Dino Polska's financial statements transpired in the period from 1 January 2024 to 31 March 2024.

Impairment losses

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

Consolidated financial data for the period from 1 January 2024 to 31 March 2024

(PLN 000s)	31.03.2024	31.12.2023	Change
Impairment losses on receivables	1,432	1,483	(51)

Standalone financial data for the period from 1 January 2024 to 31 March 2024

(PLN 000s)	31.03.2024	31.12.2023	Change
Impairment losses on receivables	1,366	1,417	(51)

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

Consolidated financial data for the period from 1 January 2024 to 31 March 2024

(PLN 000s)	31.03.2024	31.12.2023	Change
Deferred tax liability	39,758	6,880	32,878
Provision for pension and similar benefits	12,348	12,348	-
	52,106	19,228	32,878

Standalone financial data for the period from 1 January 2024 to 31 March 2024

(PLN 000s)	31.03.2024	31.12.2023	Change
Deferred tax liability	156,133	90,638	65,495
Provision for pension and similar benefits	11,285	11,285	-
	167,418	101,923	65,495

Information on deferred tax liabilities and assets

Consolidated financial data for the period from 1 January 2024 to 31 March 2024

(PLN 000s)	31.03.2024	31.12.2023	Change
Deferred tax liability	39,758	6,880	32,878
Deferred tax assets	21,283	41,323	(20,040)
			52,918

Standalone financial data for the period from 1 January 2024 to 31 March 2024

(PLN 000s)	31.03.2024	31.12.2023	Change
Deferred tax liability	156,133	90,638	65,495
Deferred tax assets	118,622	105,947	12,675
			52,820

Material purchase and sale transactions of property, plant and equipment

In the presented period, purchases related to the further expansion of the Dino store network and expansion of warehouse space as well as the purchases related to store and warehouse fit-outs constituted major transactions involving the purchase of property, plant and equipment. In the period from 1 January to 31 March 2024, the Group incurred capital expenditures of approximately PLN 345 million, including fixed assets under construction (roughly PLN 244 million in 2023).

Material obligations on account of property, plant and equipment purchases

As at the date of the financial statements, liabilities for property, plant and equipment purchases were related mainly to the purchase of construction services related to the ongoing rollout of the Dino store network. They totaled PLN 194,241 thousand. At the end of Q1 2023, investment liabilities were PLN 106,875 thousand.

Material litigation-related settlements

In the period from 1 January 2024 to 31 March 2024 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.

Correction of errors of previous periods

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

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

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

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

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

Information on related party transactions

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. Intra-Group transactions were eliminated in the consolidation process.

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

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

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

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

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

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

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

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

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

No change in contingent assets was recorded in the reporting period. At the end of the reporting period the Group had contingent liabilities arising from concluded preliminary agreements in the amount of PLN 1,159,831 thousand (as at 31 March 2023: PLN 522,613 thousand).

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

No significant events other than the ones described above occurred in the reporting period that could materially affect the assessment of the Group's assets, financial position and financial result.

6. OTHER INFORMATION

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

The Company's Management Board did not publish any forecasts for 2024.

Proceedings pending before courts, competent body for arbitration or a public administrative authority

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

Information on related party transactions

Both the Parent Company and its subsidiaries enter into transactions on an arm's length basis.

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

No events referred to in this header occurred in the reporting period.

Other information

The *Preliminary Conditional Share Purchase Agreement and Shareholder Agreement* ("Agreement"), which the Company concluded with the company doing business as eZebra.pl sp. z o.o. with its registered office in Lublin ("eZebra") and its shareholders ("Founders") was performed on 3 April 2024. As a result thereof, the Company became the owner of a 72.22% equity stake in eZebra, while it will hold a 75% equity stake ("Shares") once the increase in eZebra's share capital is registered. eZebra runs an internet drug store at the ezebra.pl website. It offers an extensive array of cosmetics and perfumes and accessories in the beauty, health, personal hygiene and house and home categories. The total price for the Shares was PLN 63 million (this price will be verified according to select actual financial data as of the closing date), with PLN 11.5 million forming a contribution to eZebra made by the Company subscribing for new shares in eZebra's share capital to support its ongoing development, while

approximately PLN 51.5 million constituted payment for the secondary shares. Pursuant to the Agreement, a call option (Call Option) has been granted to the Company to acquire the remaining 25% equity stake in eZebra, while a put option (Put Option) has been granted to the Founders to sell it to the Company according to the conditions and at the times described in the Company’s current report no. 8/2023.

SIGNATURES OF THE MANAGEMENT BOARD MEMBERS

Izabela Biadała – Management Board Member

Michał Krauze – Management Board Member

Piotr Ścigała – Management Board Member

Krotoszyn, 9 May 2024