



**Interim Report  
of the DINO POLSKA S.A. Group  
for H1 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. Taxpayer Identification Number [NIP]: 6211766191, Statistical Number [REGON]: 300820828. The Company’s share capital as at 30 June 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 (“Interim H1 2024 Report”, “Report”) comprises the interim condensed consolidated financial statements of the DINO POLSKA S.A. Group (“Group”, “Dino Group”) for the 6-month period ended 30 June 2024 (“Financial Statements”), the Company’s interim condensed financial statements for the 6-month period ended 30 June 2024 and additionally the information required by the pertinent legal regulations.

Unless specified otherwise, the data in this Report comes from Dino. This document was prepared on 22 August 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- 30.06.2024</i>	<i>01.01.2023- 30.06.2023</i>	<i>01.01.2024- 30.06.2024</i>	<i>01.01.2023- 30.06.2023</i>
Sales revenue	13,914,254	12,092,972	3,227,691	2,621,498
Operating profit	819,255	857,806	190,043	185,954
Profit before tax	757,380	781,701	175,690	169,456
Net profit	643,351	632,847	149,238	137,188
Number of shares	98,040,000	98,040,000	98,040,000	98,040,000
Basic / diluted earnings per share in PLN, EUR	6,56	6,45	1,52	1,40
Cash flow from operating activities	962,715	890,651	223,321	193,074
Cash flow from investing activities	(734,950)	(563,846)	(170,486)	(122,230)
Cash flow from financing activities	(30,766)	(230,355)	(7,137)	(49,936)
Net change in cash and cash equivalents	196,999	96,450	45,698	20,908

\* 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:

- NBP's average exchange rate for H1 2024: PLN 4.3109/EUR;

- NBP's average exchange rate for H1 2023: PLN 4.6130/EUR.

	<i>PLN 000s</i>		<i>EUR 000s*</i>	
	<i>30.06.2024</i>	<i>31.12.2023</i>	<i>30.06.2024</i>	<i>31.12.2023</i>
Total assets	11,026,285	10,377,715	2,556,523	2,386,779
Total non-current assets	7,827,615	7,124,550	1,814,889	1,638,581
Total current assets	3,198,670	3,253,165	741,635	748,198
Equity	6,231,707	5,605,311	1,444,866	1,289,170
Share capital	9,804	9,804	2,273	2,255
Non-current liabilities	1,006,196	893,111	233,294	205,407
Current liabilities	3,788,382	3,879,293	878,364	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 30 June 2024: 4.3130 PLN/EUR;

- NBP's average exchange rate as at 31 December 2023: 4.3480 PLN/EUR.

## 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 30 June 2024, the Dino network consisted of 2,504 stores with a total selling area of 987,398 square meters. Dino Polska has many years of experience and a proven capacity to open new stores, enabling it to grow its number of stores by 882, i.e. 54%, in the period of three years up to 30 June 2024. Its geographic expansion has been accompanied by significant like for like (LFL) revenue growth in its current store network, which in H1 2024 stood at 6.4% compared to the corresponding period of 2023. 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 expands. These drivers, combined with operational leverage and store network maturation, should be conducive to gradually enhancing Dino Polska'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 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. The number of Dino stores outfitted with their own photovoltaic installations rose from 2,138 at the end of 2023 to 2,289 at the end of June 2024 while the total capacity of these installations (including the PV panels on the premises of distribution centers) climbed to 91.8 MW. In H1 2024 Dino Polska generated 45.1 GWh of electricity from the sun versus 33.7 GWh in the corresponding period of 2023.

### 2.1.2. Recap of the Dino Group's operations in H1 2024

In H1 2024 the Dino Group's revenue was PLN 13,914.3 million, meaning it was up by PLN 1,821.3 million, i.e. 15.1% higher than in H1 2023. Concurrently, the cost of sales climbed 15.5% to PLN 10,734.2 million. In Q2 2024 the Dino Group's revenue totaled PLN 7,243.0 million and was up PLN 694.3 million, or 10.6% higher compared to Q2 2023. At the same time, the cost of sales rose 10.1% to PLN 5,602.5 million.

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

(PLN 000s)	H1 2024	H1 2023	Change H1 '24/ H1 '23	Q2 2024	Q2 2023	Change Q2 '24/ Q2 '23
<b>Sales revenue</b> .....	<b>13,914,254</b>	<b>12,092,972</b>	<b>15.1%</b>	<b>7,243,008</b>	<b>6,548,678</b>	<b>10.6%</b>
Cost of sales .....	(10,734,164)	(9,295,551)	15.5%	(5,602,519)	(5,086,298)	10.1%
<b>Gross profit on sales</b> .....	<b>3,180,090</b>	<b>2,797,421</b>	<b>13.7%</b>	<b>1,640,489</b>	<b>1,462,380</b>	<b>12.2%</b>
Other operating income .....	7,067	6,375	10.9%	3,834	1,546	148.0%
Sales and marketing expenses .....	(2,262,160)	(1,868,734)	21.1%	(1,171,673)	(938,669)	24.8%
General administration expenses .....	(100,288)	(73,254)	36.9%	(48,600)	(41,242)	17.8%
Other operating expenses .....	(5,454)	(4,002)	36.3%	(2,316)	(1,905)	21.6%
<b>Operating profit</b> .....	<b>819,255</b>	<b>857,806</b>	<b>-4.5%</b>	<b>421,734</b>	<b>482,110</b>	<b>-12.5%</b>
Financial income .....	2,842	4,791	-40.7%	1,282	3,827	-66.5%
Financial expenses.....	(64,717)	(80,896)	-20.0%	(30,273)	(38,187)	-20.7%
<b>Profit before tax</b> .....	<b>757,380</b>	<b>781,701</b>	<b>-3.1%</b>	<b>392,743</b>	<b>447,750</b>	<b>-12.3%</b>
Income tax .....	(114,029)	(148,854)	-23.4%	(44,640)	(85,557)	-47.8%
<b>Net profit</b> .....	<b>643,351</b>	<b>632,847</b>	<b>1.7%</b>	<b>348,103</b>	<b>362,193</b>	<b>-3.9%</b>
Profit attributable to:						
- equity holders of the parent entity ..	<b>643,122</b>	<b>632,847</b>	<b>1.6%</b>	<b>347,874</b>	<b>362,193</b>	<b>-4.0%</b>
- non-controlling interests .....	<b>229</b>	<b>-</b>	<b>-</b>	<b>229</b>	<b>-</b>	<b>-</b>

In H1 2024 profit measured by EBITDA diminished year on year by 1.6% to PLN 1,012.7 million. The EBITDA margin was 7.28% versus the 8.51% margin posted in H1 2023. In Q2 2024 profit measured by EBITDA was PLN 520.6 million while the EBITDA margin was 7.19%. The diminished EBITDA margin stemmed from the rate of growth of sales and marketing expenses outpacing the rate of growth of revenue. The substantial growth in employment costs primarily contributed to the high pace of growth in sales and marketing expenses. In turn, the slower pace of revenue growth is the consequence of the falling prices (deflation) for the products offered in Dino stores, while in Q2 this also followed from the shift in the timing of Easter from Q2 in 2023 to Q1 in 2024. Concurrently, Dino focuses on providing an attractive price offering in its stores, which faced with extensive price competition on the retail food market in Poland exerts pressure on the level of gross margin.

The following table presents EBITDA.

(PLN 000s)	H1 2024	H1 2023	Change H1 '24/ H1 '23	Q2 2024	Q2 2023	Change Q2 '24/ Q2 '23
Net profit .....	643,351	632,847	1.7%	348,103	362,193	-3.9%
Income tax.....	(114,029)	(148,854)	-23.4%	(44,640)	(85,557)	-47.8%
Result on financing activity.....	(61,875)	(76,105)	-18.7%	(28,991)	(34,360)	-15.6%
<b>EBIT .....</b>	<b>819,255</b>	<b>857,806</b>	<b>-4.5%</b>	<b>421,734</b>	<b>482,110</b>	<b>-12.5%</b>
EBIT margin.....	5.89%	7.09%	-	5.82%	7.36%	-
Depreciation and amortization	(193,486)	(171,839)	12.6%	(98,910)	(89,331)	10.7%
<b>EBITDA .....</b>	<b>1,012,741</b>	<b>1,029,645</b>	<b>-1.6%</b>	<b>520,644</b>	<b>571,441</b>	<b>-8.9%</b>
EBITDA margin	7.28%	8.51%	-	7.19%	8.73%	-

### Sales revenue

Top line improvement is the outcome of Dino's store network roll-out to open new stores and growing revenue in current stores (like for like, LfL)<sup>1</sup>. LfL sales growth in H1 2024 was 6.4%. In Q2 2024 LfL sales growth was 1.8%. A major factor shaping LfL sales growth in H1 2024 was the high level of sales in the comparative period. LfL sales growth in H1 2023 was 23.3% following in the footsteps of food inflation of 20.8%.

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

%	H1 2024	Q2 2024	Q1 2024	H1 2023	Q2 2023	Q1 2023	2023	2022	2021
Inflation .....	2.7	2.5	2.8	15.0	13.1	17.0	11.4	14.4	5.1
Food price inflation.....	2.3	2.0	2.6	20.8	18.8	22.9	15.1	15.4	3.2
<b>Dino's LfL .....</b>	<b>6.4</b>	<b>1.8</b>	<b>11.9</b>	<b>23.3</b>	<b>20.3</b>	<b>27.2</b>	<b>17.2</b>	<b>28.5</b>	<b>12.4</b>

Fresh products, including meat, cold cuts and poultry, accounted for 39.5% of sales in Dino stores in Q2 2024 and for 40.3% in the first half of 2024.

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

%	H1 2024	H1 2023	Q2 2024	Q2 2023
Fresh products.....	40.3	41.0	39.5	40.3
Other groceries*.....	47.7	47.2	48.5	48.0
Non-grocery products .....	12.0	11.8	12.0	11.7

\* 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 Q2 2024, 66 new Dino stores were opened. 98 new stores were opened in total in H1 2024 versus 116 in the corresponding period of last year. As at 30 June 2024, the Dino network numbered 2,504 stores, 232 more than last year.

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

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

	Number of stores as at 30 June		Number of stores as at 31 December		
	2024	2023	2023	2022	2021
Number of new store openings in H1 / year .....	98	116	250	344	343
Total number of stores .....	2,504	2,272	2,406	2,156	1,815
Total selling area (m <sup>2</sup> ).....	987,398	894,217	947,919	847,817	710,433
Growth of sales area y/y.....	10.4%	15.4%	11.8%	19.3%	23.9%

### Cost of sales

The cost of sales was 77.1% and 76.9% of revenue in H1 2024 and H1 2023, respectively. The cost of sales rose PLN 1,438.6 million, i.e. by 15.5% to PLN 10,734.2 million in H1 2024 with a corresponding 15.1% 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 393.4 million, i.e. 21.1% to PLN 2,262.2 million in H1 2024 versus H1 2023. This growth was mainly driven by the growth in the costs of employee benefits, the Dino Group's growing business size and the related expansion of the Dino store network and rising LFL sales in its existing stores, thereby necessitating higher costs associated with store upkeep, storage of merchandise and marketing.

### General administration expenses

General administration expenses rose PLN 27.0 million, or 36.9%, to PLN 100.3 million in H1 2024 versus H1 2023. This was caused mainly by the growth in the costs of employee benefits and the expansion of the Dino store network (some administrative functions expanded in line with the Dino store network).

### Costs by nature

The following table presents costs by nature.

(PLN 000s)	H1 2024	H1 2023	Change H1 '24/ H1 '23	Q2 2024	Q2 2023	Change Q2 '24/ Q2 '23
Depreciation and amortization.....	193,486	171,839	12.6%	98,910	89,331	10.7%
Consumption of materials and energy .....	1,191,151	1,183,654	0.6%	588,921	619,013	-4.9%
External services .....	416,798	294,315	41.6%	233,355	152,038	53.5%
Taxes and fees .....	264,687	222,336	19.0%	135,632	121,829	11.3%
Costs of employee benefits.....	1,735,836	1,328,958	30.6%	889,166	690,019	28.9%
Other costs by nature.....	51,575	49,269	4.7%	28,675	26,073	10.0%
Cost of goods and materials sold.....	9,256,003	7,991,111	15.8%	4,856,870	4,353,244	11.6%
<b>Total costs by nature, including: .....</b>	<b>13,109,536</b>	<b>11,241,482</b>	<b>16.6%</b>	<b>6,831,529</b>	<b>6,051,547</b>	<b>12.9%</b>
Items captured in cost of sales .....	10,734,164	9,295,551	15.5%	5,602,519	5,086,298	10.1%
Items captured in sales and marketing expenses.....	2,262,160	1,868,734	21.1%	1,171,673	938,669	24.8%
Items captured in general administration expenses....	100,288	73,254	36.9%	48,600	41,242	17.8%
Movement in products.....	12,924	3,943	227.8%	8,737	-14,662	-

Total costs by nature increased by PLN 1,868.1 million, or 16.6% to PLN 13,109.5 million in H1 2024 compared to PLN 11,241.5 million in H1 2023, mainly as a result of higher: (i) costs of merchandise and materials sold (up



PLN 1,264.9 million), (ii) costs of employee benefits (up PLN 406.9 million) and (iii) costs of external services (up PLN 122.5 million).

The costs of employee benefits rose PLN 406.9 million, i.e. 30.6% to PLN 1,735.8 million in H1 2024 compared to PLN 1,329.0 million in H1 2023. This growth resulted from the higher number of Dino Group employees from 39,427 as at 30 June 2023 to 45,274 as at 30 June 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 current stores and the higher average salary in the Dino Group.

The costs of consumed materials and energy increased by PLN 7.5 million, or 0.6%, to PLN 1,191.2 million in H1 2024 versus PLN 1,183.7 million in H1 2023. The slower pace of growth in this line item versus the pace of network expansion stemmed from the declining prices of materials and electricity.

External services, which comprised in particular transportation services, lease and tenancy services and maintenance services increased by PLN 122.5 million, or 41.6%, to PLN 416.8 million in H1 2024 compared to PLN 294.3 million in H1 2023. This growth was chiefly precipitated by higher prices for particular services and the growing demand for these services in connection with the Dino store network's expansion.

### *Financial expenses*

The Dino Group's financial expenses fell PLN 16.2 million, or 20.0% to PLN 64.7 million in H1 2024 compared to PLN 80.9 million in H1 2023. This decrease followed from the level of debt being lower in H1 2024 than a year ago.

### *Balance sheet – assets*

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

<i>(PLN 000s)</i>	30.06.2024	31.03.2024	31.12.2023	30.06.2023	Change	Change
					30.06.24 / 31.12.23	30.06.24 / 30.06.23
Property, plant and equipment.....	7,492,809	7,126,146	6,874,672	6,417,838	9.0%	16.7%
Right-of-use assets.....	117,400	90,791	93,499	108,249	25.6%	8.5%
Intangible assets.....	162,407	115,428	115,056	93,767	41.2%	73.2%
Deferred tax assets.....	54,999	21,283	41,323	25,227	33.1%	118.0%
<b>Total non-current assets.....</b>	<b>7,827,615</b>	<b>7,353,648</b>	<b>7,124,550</b>	<b>6,645,081</b>	<b>9.9%</b>	<b>17.8%</b>
Inventories.....	2,310,757	2,490,667	2,638,859	1,957,737	-12.4%	18.0%
Trade and other receivables.....	348,399	244,499	330,389	219,884	5.5%	58.4%
Income tax receivables.....	36,214	40	103	120	–	–
Other non-financial assets.....	86,418	92,691	64,049	103,928	34.9%	-16.8%
Other financial assets.....	1,494	1,307	1,376	1,162	8.6%	28.6%
Cash and cash equivalents.....	415,388	403,099	218,389	479,168	90.2%	-13.3%
<b>Total current assets.....</b>	<b>3,198,670</b>	<b>3,232,303</b>	<b>3,253,165</b>	<b>2,761,999</b>	<b>-1.7%</b>	<b>15.8%</b>
<b>TOTAL ASSETS.....</b>	<b>11,026,285</b>	<b>10,585,951</b>	<b>10,377,715</b>	<b>9,407,080</b>	<b>6.2%</b>	<b>17.2%</b>

Total assets rose PLN 648.6 million, i.e. 6.2%, from PLN 10,377.7 million as at 31 December 2023 to PLN 11,026.3 million as at 30 June 2024. Compared to 30 June 2023, total assets rose by PLN 1,619.2 million, or 17.2%.

As at 30 June 2024, the main components of total assets were: (i) property, plant and equipment (constituting 68.0%), (ii) inventories (constituting 21.0%) and (iii) cash and cash equivalents (constituting 3.8%).

Non-current assets rose by PLN 703.1 million, i.e. 9.9%, from PLN 7,124.6 million as at 31 December 2023 to PLN 7,827.6 million as at 30 June 2024. Compared to 30 June 2023, non-current assets rose by PLN 1,182.5 million, or 17.8%. In both cases this growth was mainly caused by higher property, plant and equipment which, in turn, was caused primarily by Dino's network rollout and capital expenditures.

Current assets diminished by PLN 54.5 million, i.e. 1.7%, from PLN 3,253.2 million as at 31 December 2023 to PLN 3,198.7 million as at 30 June 2024. Compared to 30 June 2023, current assets rose by PLN 436.7 million, or 15.8%.

### Balance sheet – liabilities and equity

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

<i>(PLN 000s)</i>	30.06.2024	31.03.2024	31.12.2023	30.06.2023	Change 30.06.24 / 31.12.23	Change 30.06.24 / 30.06.23
<b>Equity (attributable to the equity holders of the parent entity)....</b>	<b>6,214,944</b>	<b>5,900,559</b>	<b>5,605,311</b>	<b>4,836,630</b>	<b>10.9%</b>	<b>28.5%</b>
Share capital.....	9,804	9,804	9,804	9,804	0.0%	0.0%
Supplementary capital.....	6,058,912	4,652,148	4,652,148	4,649,963	30.2%	30.3%
Retained earnings.....	172,217	1,231,107	935,859	169,363	-81.6%	1.7%
Other equity .....	(25,989)	7,500	7,500	7,500	-	-
<b>Non-controlling interests .....</b>	<b>16,763</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>-</b>
<b>Total equity.....</b>	<b>6,231,707</b>	<b>5,900,559</b>	<b>5,605,311</b>	<b>4,836,630</b>	<b>11.2%</b>	<b>28.8%</b>
Loans and borrowings.....	495,510	573,989	469,629	597,808	5.5%	-17.1%
Lease liabilities .....	45,527	33,225	35,612	37,213	27.8%	22.3%
Liabilities by virtue of outstanding securities.....	370,000	370,000	370,000	370,000	0.0%	0.0%
Obligation to acquire non-controlling interests .....	33,489	0	0	0	-	-
Liabilities for employee benefits.....	10,900	10,900	10,900	5,794	0.0%	88.1%
Other liabilities .....	60	60	90	120	-33.3%	-50.0%
Deferred tax liability.....	50,710	39,758	6,880	43,477	637.1%	16.6%
<b>Total non-current liabilities.....</b>	<b>1,006,196</b>	<b>1,027,932</b>	<b>893,111</b>	<b>1,054,412</b>	<b>12.7%</b>	<b>-4.6%</b>
Trade and other payables*.....	3,084,067	2,863,777	3,095,968	2,558,947	-0.4%	20.5%
Loans and borrowings.....	303,043	289,523	278,588	364,475	8.8%	-16.9%
Lease liabilities .....	14,751	14,038	14,565	17,166	1.3%	-14.1%
Liabilities by virtue of outstanding securities .....	4,674	4,852	4,784	259,993	-2.3%	-98.2%
Liabilities for employee benefits*.....	372,962	349,862	307,273	278,864	21.4%	33.7%
Income tax liabilities.....	3,470	131,282	176,736	35,912	-98.0%	-90.3%
Deferred income*.....	5,415	4,126	1,379	681	292.7%	695.2%
<b>Total current liabilities .....</b>	<b>3,788,382</b>	<b>3,657,460</b>	<b>3,879,293</b>	<b>3,516,038</b>	<b>-2.3%</b>	<b>7.7%</b>
<b>Total liabilities.....</b>	<b>4,794,578</b>	<b>4,685,392</b>	<b>4,772,404</b>	<b>4,570,450</b>	<b>0.5%</b>	<b>4.9%</b>
<b>TOTAL EQUITY AND LIABILITIES .....</b>	<b>11,026,285</b>	<b>10,585,951</b>	<b>10,377,715</b>	<b>9,407,080</b>	<b>6.2%</b>	<b>17.2%</b>

\* change in presentation - liabilities for employee benefits have been separated from trade and other liabilities, provisions for employee benefits and prepayments and accruals (currently "deferred income")

As at 30 June 2024, the main components of liabilities were: (i) trade and other payables representing 64.3%; (ii) interest-bearing loans and borrowings (long-term) representing 10.3% thereof and (iii) liabilities under outstanding securities (long-term) representing 7.7%.

Total liabilities increased by PLN 22.2 million, i.e. 0.5%, from PLN 4,772.4 million as at 31 December 2023 to PLN 4,794.6 million as at 30 June 2024. Total liabilities rose by PLN 224.1 million, or 4.9% from PLN 4,570.5 million as at 30 June 2023 to PLN 4,794.6 million as at 30 June 2024.

Non-current liabilities climbed PLN 113.1 million, i.e. 12.7%, from PLN 893.1 million as at 31 December 2023 to PLN 1,006.2 million as at 30 June 2024. Compared to 30 June 2023, non-current liabilities fell PLN 48.2 million, or 4.6%.

Current liabilities fell PLN 90.9 million, or 2.3% from PLN 3,879.3 million as at 31 December 2023 to PLN 3,788.4 million as at 30 June 2024. Compared to 30 June 2023, current liabilities increased by PLN 272.3 million, or 7.7%, driven predominantly by an increase in trade and other payables (up PLN 525.1 million, as a result of the Dino Group's expanding business size).

The Dino Group's net debt<sup>2</sup> stood at PLN 818.1 million as at 30 June 2024, signifying a decline of PLN 136.7 million compared to 31 December 2023 and a dip of PLN 349.4 million compared to 30 June 2023. The net debt to EBITDA ratio for the last 12 months was 0.37x as at 30 June 2024 versus 0.56x one year earlier.

### Cash flows

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

(PLN 000s)	H1 2024	H1 2023	Change H1 '24/ H1 '23	Q2 2024	Q2 2023	Change Q2 '24/ Q2 '23
Net cash from operating activities, including:	962,715	890,651	8.1%	527,034	647,367	-18.6%
<i>profit before tax</i>	757,380	781,701	-3.1%	392,743	447,750	-12.3%
<i>Depreciation and amortization</i>	193,486	171,839	12.6%	98,910	89,331	10.7%
<i>movement in working capital</i>	267,856	83,093	222.4%	226,585	199,931	13.3%
<i>Other</i>	(256,007)	(145,982)	75.4%	(191,204)	(89,645)	113.3%
Net cash from investing activities	(734,950)	(563,846)	30.3%	(407,171)	(254,171)	60.2%
Net cash from financing activities	(30,766)	(230,355)	-86.6%	(107,574)	(141,835)	-24.2%
Net increase in cash and cash equivalents	196,999	96,450	104.2%	12,289	251,361	-95.1%

The Dino Group generated net cash flow from operating activities in H1 2024 totaling PLN 962.7 million, or 8.1% more than in H1 2023. Net cash flow from investing activities was negative and totaled PLN (735.0 million) in H1 2024 and was 30.3% higher than the cash flow from investing activities in H1 2023. The cash flow from investing activities was driven chiefly by the capital expenditures to open new Dino stores, the expansion of production capacities in the Agro Rydzyna meat processing plant and the development of logistics (in H1 2024 the Company's ninth distribution center was opened in the community of Bolewicko in the Greater Poland Region) and the acquisition of shares in eZebra.

### 2.1.3. Factors impacting Dino's operations and results

In the opinion of the Dino Management Board, the following factors may affect the Dino Group's business until the end 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;

<sup>2</sup> defined as sum of short- and long-term loans and borrowings, liabilities under lease agreements, liabilities by virtue of outstanding securities minus cash and cash equivalents.

- 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);
- lower electricity prices and Dino's successive investments in renewable energy sources, which should deliver savings in electricity purchase costs;
- 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 fiercer price competition on the retail grocery market in Poland may curtail the Group's capacity to enhance its gross margin, and due to persisting deflation in respect of many of the goods offered in Dino stores this may limit the growth of LFL sales in H2 2024 to an average single-digit level;
- low unemployment, which coupled with higher salaries will translate into the Group's operating expenses continuing to rise, which faced with the slower pace of revenue growth may continue to exert pressure on the level of the EBITDA margin;
- gradual change of habits among consumers (in particular, an active lifestyle, less leisure time, high frequency of shopping and paying attention to the convenient location of stores) which are conducive to higher sales in stores 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.

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

#### 2.1.4. Threats and risks related to the other months of the year

*Changes to the general economic situation, which are beyond Dino Group's control, may result in lower consumer demand, which may have an adverse impact on the Dino Group's business*

The Dino Group operates in Poland on the grocery retail market, which depends on the demand generated by consumers. The demand generated by consumers is a result of a number of factors beyond the Dino Group's control, in particular the macroeconomic situation and political conditions. Change of the economic factors on the market in Poland, in the EU or globally, including the change in the GDP growth rate, total inflation, inflation or deflation of food prices, increase of the unemployment rate, decline of salaries or decrease of expenditures on consumption and investments, may have an adverse impact on the Dino Group or the sector in which the Dino Group operates, including the sales revenues generated by the Dino Group or its costs.

### *Demanding situation on the labor market may adversely affect the Dino Group's business*

Dino operates in a sector characterized by relatively high employee turnover. The low level of unemployment in Poland, which is accompanied by a high level of competition for store employees between entities operating in the retail trade sector, may contribute to Dino sustaining higher employee attrition and troubles with attracting new employees. Moreover, the aforementioned factors may exert more pressure on raising the costs of wages. The occurrence of these circumstances may exert an adverse impact on the Dino Group's business, its financial standing, performance or prospects.

### *The Dino Group may not be able to implement its store rollout strategy*

The Dino Group's strategy provides for, among others, further growth through continuation of fast organic growth of the store network. Successful implementation of the Dino Group's development strategy depends, among others, on the economic conditions, access to financing, absence of unfavorable changes in the regulatory environment, finding real estate on acceptable commercial terms which satisfy the requirements set by the Dino Group, efficient opening of new stores, employment, training and retention of store personnel, and integration of the new stores with the supply chain operating in the Dino Group in a manner ensuring the highest possible profitability.

Even if the Dino Group manages to open new stores in line with the adopted strategy, the newly opened stores may not break even within the originally assumed timelines or at all, or the increase in sales revenues or sales revenue in the current store network (LFL) may turn out lower than assumed by the Management Board, and the Dino Group may be exposed to incurring additional, unexpected costs associated with opening new stores. In addition, the analysis carried out by the Dino Group before opening a given store may turn out incorrect among others due to lower than expected customer traffic in the vicinity of the store or unexpected circumstances. The occurrence of these circumstances may exert an adverse impact on the Dino Group's business, its financial standing, performance or prospects.

### *The market on which Dino conducts operations is characterized by a high level of competition, and the pressure from the competitors may have an adverse impact on its margin or growth prospects*

The market on which Dino operates is characterized by high competition due to the presence and constant growth of big organized retail networks, including supermarkets, discount stores and convenience stores. There is no certainty that Dino will be able to compete effectively with its current or future competitors, in particular in terms of prices and promotions and in terms of the product assortment offered, which could bring about a decline in the Dino Group's rate of growth, stagnation or a decline in Dino's market share and a reduction in its profitability. As a consequence, this could adversely affect the Dino Group's business, financial position and results.

### *Changes in the tax law applicable to the operations of the Dino Group or its interpretation, as well as changes in individual tax rulings may adversely affect the Dino Group*

The activities of the Dino Polska Group are subject to various regulations in the field of tax law. There can be no assurance that the tax authorities will not issue a different tax ruling in regard to the tax regulations applied by the Company or Dino Group companies, which could be unfavorable to the Company or Dino Group companies. Also, there can be no assurance that the individual tax rulings obtained and applied by the Company or the Dino Polska Group companies will not change or be rendered inoperative. One cannot preclude the possibility of the tax authorities challenging the correctness of tax settlements made by the Company or the Dino Group companies, which may have an adverse effect on the Dino Group's business, its financial standing and results. There is also a risk that, as new regulations are implemented or VAT increases, the Company or the Dino Group companies will have to undertake adaptive efforts, which may lead to higher expenses or possibly to a decrease in the level of sales and revenues of the Dino Group.

## 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 Polska shares.

*The table below depicts the shareholder structure of DINO POLSKA S.A. as at the Report Date.*

	<b>Number of shares and number of votes at the Shareholder Meeting</b>	<b>Share in the share capital and in votes at the Shareholder Meeting</b>
Tomasz Biernacki with a subsidiary <sup>3</sup> .....	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 of the Company, held 30,000 Company shares as at the Report Date. Compared to the publication date of the Q1 2024 report, the number of shares held by Michał Krauze has not changed. Izabela Biadała, a Management Board Member, held 80 shares in the Company as at the Report Date (no change compared to the publication date of the Q1 2024 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 Q1 2024 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 shares in the Company held by Supervisory Board members has not changed since the publication date of the Q1 2024 report.

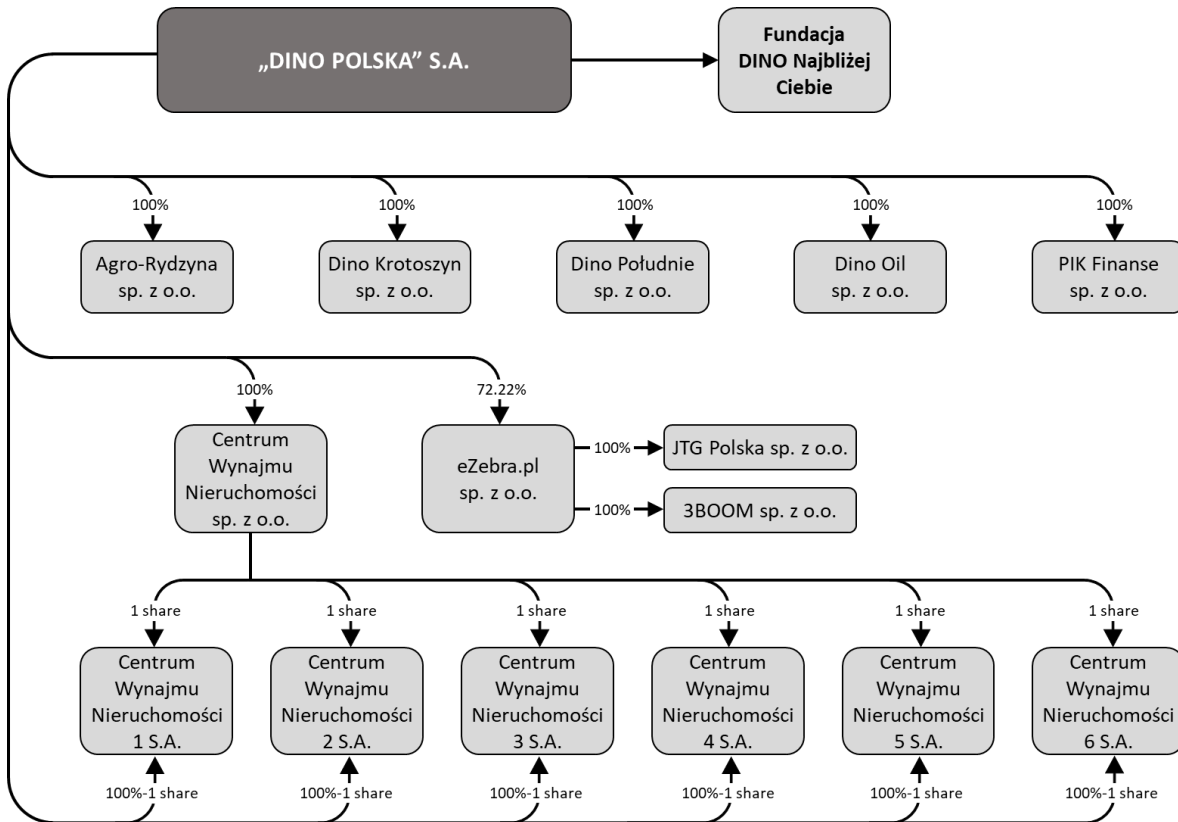
## 2.3. Group – general information and description of the changes in its organization

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, Director of Logistics and Warehouses and Management Board Member, Michał Krauze, Chief Financial Officer and Management Board Member and Piotr Ścigała, Chief Control Officer and Management Board Member. The Company's Supervisory Board functions in a five-person composition (Tomasz Biernacki – Chairman, Maciej Polanowski – Vice-Chairman and members: Eryk Bajer, Piotr Borowski, Sławomir Jakszuk).

<sup>3</sup> BT Kapital Sp. z o.o., a subsidiary of Tomasz Biernacki, holds a total of 160 thousand Company shares.

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



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.

Dino Polska 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, 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.

On 29 April 2024 the District Court in Lublin issued a ruling in which it granted injunctive relief for the claim raised by the applicant through the following, among others: it banned the undertaking of efforts for the purpose of raising the share capital of eZebra, it blocked the ability to exercise the corporate rights held by the Company in the share capital of eZebra and transfer or encumber in any other way the shares it holds in the share capital of eZebra. Dino and eZebra disagree with the foregoing ruling in its entirety and have filed a complaint against the ruling granting this injunction. The Court’s decision does not affect the composition of eZebra’s shareholders. Following the acquisition of the 72.22% equity stake in eZebra, Dino Polska has kicked off the execution of its previous plans, in other words, it is collaborating with the founders and management of eZebra for the purpose

of continuing to expand the operations of the eZebra.pl drug store and jointly building competences in the e-commerce area.

Subsidiaries are subject to consolidation from the date when the Group assumes control over them, and they cease to be consolidated when control no longer exists. The parent company has control only if it:

- has power over a given entity,
- is subject to exposure, or has rights, to variable returns from its involvement in a given entity,
- 
- has the ability to affect those returns by exercising its power.

The Company verifies the fact of having power over other entities if there is a situation indicating a change in one or more of the above mentioned pre-conditions for control. Where the Company holds less than a majority of voting rights in an entity, but the voting rights held are sufficient to unilaterally direct the relevant activities of that entity, this means that it exercises authority over the entity. When assessing whether the voting rights in a given entity are sufficient to secure power, the Company analyzes all material circumstances, including:

- the size of the holding of voting rights compared to the size of the holding of shares and the degree of dispersion of voting rights held by other shareholders;
- potential voting rights held by the Company, other shareholders or other parties;
- rights arising from other contractual arrangements; and
- additional circumstances, which may prove whether the Company has or does not have the ability to direct the relevant activities at the moment of the decisions, including voting patterns observed at previous shareholder meetings.

## 2.4. Other information

### *Correction of errors of previous periods*

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

### *Non-recurring amounts and events*

No atypical events exerting a material impact on Dino Polska's financial statements for H1 2024 transpired in the period from 1 January 2024 to 30 June 2024.

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

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

### *Information about litigation and material proceedings pending in a 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 an administrative proceeding or public administration authority.



### *Information on related party transactions*

In the reporting period there were no related party transactions that were not executed on an arm's length basis. Information on related party transactions is set forth in note 25 to the Interim condensed consolidated financial statements of Dino Polska for H1 2024.

### *Significant sureties for loans or borrowings or guarantees extended by the issuer or its subsidiary*

In H1 2024 there were no events referred to in the header.

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

No material events other than the ones described in this Report and in Dino Polska's interim condensed consolidated financial statements for the 6-month period ended 30 June 2024 that could significantly affect the assessment of the Group's assets, financial position and financial result occurred in the reporting period.

### *Principles for the preparation of the interim condensed consolidated financial statements*

The 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").

The 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 2023 approved for publication on 21 March 2024. The interim condensed consolidated financial statements are presented in Polish zloty ("PLN"), while all the figures are stated in thousands of PLN, unless stated otherwise. The 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 2024, 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 2024, 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 2024. 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. Having regard for the above the Management Board has not identified any circumstances that could engender material doubts regarding the Company's ability to continue doing business for at least 12 months from the balance sheet date and endorsement of the going concern assumption.

### 3. MANAGEMENT BOARD'S REPRESENTATION

According to its best knowledge, the DINO POLSKA S.A. Management Board ("Company") represents that:

- the interim condensed financial statements of DINO POLSKA S.A. for the 6-month period ended 30 June 2024 and the comparable data have been prepared in accordance with the binding accounting principles and honestly, fairly and clearly reflect the assets and financial standing of DINO POLSKA S.A. and its financial result,
- the interim consolidated condensed financial statements of the DINO POLSKA S.A. Group for the 6-month period ended 30 June 2024 and the comparable data have been prepared in accordance with the binding accounting principles and honestly, fairly and clearly reflect the assets and financial standing of the DINO POLSKA S.A. Group and its financial result,
- the Management Board's Report on the Activity of the DINO POLSKA S.A. Group in H1 2024 contains a true picture of the development, accomplishments and position of Dino Polska and the Dino Group, including a description of the fundamental threats and risks.

Izabela Biadała  
Management Board  
Member

Michał Krauze  
Management Board  
Member

Piotr Ścigała  
Management Board  
Member

Krotoszyn, 22 August 2024

#### 4. APPENDICES

- 4.1. Interim consolidated condensed financial statements of the DINO POLSKA S.A. Group for the 6-month period ended 30 June 2024
- 4.2. Interim condensed financial statements of DINO POLSKA S.A. for the 6-month period ended 30 June 2024
- 4.3. Auditor's reports on the review of the financial statements