DINO POLSKA S.A. GROUP

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 PREPARED IN ACCORDANCE WITH THE INTERNATIONAL FINANCIAL REPORTING STANDARDS APPROVED FOR APPLICATION IN THE EU

This document is a PDF copy of the official Consolidated Financial Statements of the Dino Polska S.A. Group in 2024, which were published in the xHTML format and signed by the Management Board Members and Chief Accountant of Dino Polska S.A. using qualified electronic signatures.

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS
for the year ended 31 December 2024

(in thousands of PLN)	*Note*	***01.01.2024-31.12.2024***	***01.01.2023-31.12.2023***
Sales revenue	11	**29,273,792**	**25,666,255**
Cost of sales	12	(22,463,233)	(19,741,459)
Gross profit on sales		**6,810,559**	**5,924,796**
Other operating income	12.4	24,185	13,477
Sales and marketing expenses	12	(4,678,717)	(3,878,421)
General administration expenses	12	(233,653)	(173,736)
Other operating expenses	12.5	(14,044)	(10,261)
Operating profit		**1,908,330**	**1,875,855**
Financial income	12.6	6,657	10,442
Financial expenses	12.7	(121,424)	(147,316)
Profit before tax		**1,793,563**	**1,738,981**
Income tax	13	(287,834)	(333,654)
Net profit		**1,505,729**	**1,405,327**
Profit attributable:			
To owners of the parent		1,504,980	1,405,327
Non-controlling shareholders		749	-
Earnings per share:			
– basic from profit for the year attributable to owners of the parent	23	15.35	14.33
– diluted from profit for the year attributable to owners of the parent	23	15.35	14.33
EBITDA	33	2,317,509	2,232,683

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2024

(in thousands of PLN)		***01.01.2024-31.12.2024***	***01.01.2023-31.12.2023***
Net profit for the financial year		**1,505,729**	**1,405,327**
Items subject to reclassification to profit in subsequent reporting periods:		-	-
Items not subject to reclassification to profit in subsequent reporting periods:			
Actuarial gains/(losses) on defined benefit plans	25	(2,721)	(4,690)
Income tax on other comprehensive income		517	891
Net other comprehensive income not subject to reclassification to profit/(loss) in subsequent reporting periods		**(2,204)**	**(3,799)**
Net other comprehensive income		**(2,204)**	**(3,799)**
Comprehensive income for the year		**1,503,525**	**1,401,528**
Comprehensive income attributable:			
To owners of the parent		1,502,776	1,401,528
Non-controlling shareholders		749	-

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2024

(in thousands of PLN)	*Note*	*31.12.2024*	*31.12.2023*	*01.01.2023*
			*restated data**	*restated data**
ASSETS				
Property, plant and equipment	14	8,230,915	6,874,672	6,070,032
Right-of-use assets	15	141,350	93,499	105,116
Intangible assets	16	169,964	115,056	94,737
Deferred tax assets	13.3	74,149	41,323	26,468
Total non-current assets		**8,616,378**	**7,124,550**	**6,296,353**
Inventories	18	3,081,444	2,638,859	1,978,778
Trade and other receivables	19	376,480	330,389	274,872
Income tax receivables		220	103	-
Other non-financial assets	17	88,186	64,049	69,096
Other financial assets		2,064	1,376	1,242
Cash	20	891,022	218,389	382,718
Total current assets		**4,439,416**	**3,253,165**	**2,706,706**
TOTAL ASSETS		**13,055,794**	**10,377,715**	**9,003,059**
EQUITY AND LIABILITIES				
Equity (attributable to owners of the parent)		**7,085,151**	**5,605,311**	**4,203,783**
Share capital	21	9,804	9,804	9,804
Supplementary capital	22	6,058,912	4,652,148	3,512,022
Retained earnings		1,031,871	935,859	674,457
Other equity		(15,436)	7,500	7,500
Non-controlling interests		**17,283**	**-**	**-**
Total equity		**7,102,434**	**5,605,311**	**4,203,783**
Bank loans	24	272,219	469,629	690,862
Lease liabilities	15	60,818	35,612	34,673
Liabilities by virtue of outstanding bonds	24	170,000	370,000	370,000
Obligations to acquire non-controlling interests	2	22,936	-	-
Liabilities for employee benefits	25	14,142	10,900	5,794
Other liabilities	26.1	60	90	120
Deferred tax liability	13.3	30,336	6,880	7,700
Total non-current liabilities		**570,511**	**893,111**	**1,109,149**
Trade and other payables	26.1 26.2	4,362,006	3,095,968	2,651,049
Bank loans	24	361,034	278,588	410,157
Lease liabilities	15	17,900	14,565	17,893
Liabilities by virtue of outstanding bonds	24	204,845	4,784	260,947
Liabilities for employee benefits	25	382,575	307,273	229,660
Income tax liabilities		50,612	176,736	120,034
Deferred income		3,877	1,379	387
Total current liabilities		**5,382,849**	**3,879,293**	**3,690,127**
Total liabilities		**5,953,360**	**4,772,404**	**4,799,276**
TOTAL EQUITY AND LIABILITIES		**13,055,794**	**10,377,715**	**9,003,059**

** Data restated in accordance with the information in section 7.1*

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 December 2024

(in thousands of PLN)	*Note*	***01.01.2024-31.12.2024***	***01.01.2023-31.12.2023***
			*restated data**
Cash flow from operating activities			
Profit before tax		*1,793,563*	*1,738,981*
Depreciation and amortization	12.1	409,179	356,828
(Profit)/loss on investment activity	12.5	10,372	6,531
Interest income	12.6	(6,101)	(9,006)
Interest expense	12.7	121,353	147,316
Movement in working capital			
Movement in inventories	27	(424,123)	(660,081)
Movement in trade receivables and other receivables	27	(55,966)	(54,245)
Movement in liabilities, except for loans and borrowings	27	1,126,352	537,055
Cash generated on operating activity		*2,974,629*	*2,063,379*
Income tax paid		(417,176)	(291,839)
Net cash from operating activities		**2,557,453**	**1,771,540**
Cash flow from investing activities			
Sale of property, plant and equipment and intangible assets		2,430	5,735
Purchase of property, plant and equipment and intangible assets		(1,561,914)	(1,172,863)
Expenditures to acquire subsidiaries minus cash held by the acquired entities	2	(42,837)	-
Interest received		5,972	9,006
Repayment of extended borrowings		1,859	1,831
Granting of loans		(2,419)	(1,965)
Net cash from investing activities		**(1,596,909)**	**(1,158,256)**
Cash flow from financing activities			
Payments of lease liabilities		(43,861)	(25,837)
Bank loan proceeds		199,961	61,378
Amortization of bank loans		(322,719)	(414,180)
Redemption of bonds		-	(250,000)
Interest paid		(121,292)	(148,974)
Net cash from financing activities		**(287,911)**	**(777,613)**
Net increase / (decrease) in cash		672,633	(164,329)
Cash at the beginning of the period		**218,389**	**382,718**
Cash at the end of the period	20	**891,022**	**218,389**

** Data restated in accordance with the information in section 7.1*

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2024

		Attributable to owners of the parent					
(in thousands of PLN)	*Note*	*Share capital*	*Supplementary capital*	*Retained earnings*	*Other equity*	*Non-controlling interests*	*Total*
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)
Comprehensive income for the year		-	--	*1,401,528*	-	-	*1,401,528*
Distribution of the 2022 financial result	22		1,140,126	(1,140,126)	-	-	-
As at 31 December 2023	21	**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 2024		-	-	1,504,980	-	749	1,505,729
Net other total comprehensive income for 2024		-	-	(2,204)	-	-	(2,204)
Comprehensive income for the year		-	-	*1,502,776*	-	*749*	*1,503,525*
Distribution of the 2023 financial result	22	-	1,406,764	(1,406,764)	-	-	-
Obligations to acquire non-controlling interests	2	-	-	-	(22,936)	-	(22,936)
Net assets on the date of acquiring control over the eZebra Group	2	-	-	-	-	16,534	16,534
As at 31 December 2024	21	**9,804**	**6,058,912**	**1,031,871**	**(15,436)**	**17,283**	**7,102,434**

ACCOUNTING PRINCIPLES (POLICIES) AND NOTES

1. General information

The Dino Polska S.A. Group ("Group") consists of DINO Polska S.A. ("parent company", "Company") and its subsidiaries (see Note 2). The Group's consolidated financial statements cover the year ended 31 December 2024 along with comparable data.

The Company was established by a Notary Deed on 9 November 2007 under the name of DINO Polska spółka z ograniczoną odpowiedzialnością.

On 21 December 2011, the Shareholder Meeting of DINO Polska spółka z ograniczoną odpowiedzialnością adopted a resolution to transform the Company into DINO Polska Spółka Akcyjna.

The parent company is entered in the register of commercial undertakings of the National Court Register kept by the District Court for Poznań Nowe Miasto and Wilda, 9th Commercial Division of the National Court Register in Poland under file number KRS 0000408273. The parent company has been given the following statistical number: REGON 300820828 and the following taxpayer ID number (NIP): 6211766191.

No changes were made to the entity's business name or other identification data from the end of the previous reporting period.

The Company's registered office is located at the following address: ul. Ostrowska 122, 63-700 Krotoszyn, Poland.

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

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

(in thousands of PLN)

2. Composition of the Group

The Group consists of the following companies:

Name of the unit	*Registered office*	*Line of business*	*Stake held by the Group*	
			31 December 2024	*31 December 2023*
DINO Polska S.A. (parent company)	Krotoszyn	Retail sale conducted in non-specialized stores with food, beverages or tobacco predominating	-	-
Agro-Rydzyna sp. z o.o.	Kłoda	Production of meat products	100%	100%
Centrum Wynajmu Nieruchomości sp. z o.o.	Krotoszyn	Renting and operating of own or leased real estate	100%	100%
Centrum Wynajmu Nieruchomości 1 S.A.	Krotoszyn	Private purchases and sales of real estate, renting and operating of own or leased real estate, other financial service activities, activities of holding companies	100%	100%
Centrum Wynajmu Nieruchomości 2 S.A.	Krotoszyn	Private purchases and sales of real estate, renting and operating of own or leased real estate, other financial service activities, activities of holding companies	100%	100%
Centrum Wynajmu Nieruchomości 3 S.A.	Krotoszyn	Private purchases and sales of real estate, renting and operating of own or leased real estate, other financial service activities, activities of holding companies	100%	100%
Centrum Wynajmu Nieruchomości 4 S.A.	Krotoszyn	Private purchases and sales of real estate, renting and operating of own or leased real estate, other financial service activities, activities of holding companies	100%	100%
Centrum Wynajmu Nieruchomości 5 S.A.	Krotoszyn	Private purchases and sales of real estate, renting and operating of own or leased real estate, other financial service activities, activities of holding companies	100%	100%
Centrum Wynajmu Nieruchomości 6 S.A.	Krotoszyn	Private purchases and sales of real estate, renting and operating of own or leased real estate, other financial service activities, activities of holding companies	100%	100%
PIK Finanse sp. z o.o.	Krotoszyn	Private purchases and sales of real estate, renting and operating of own or leased real estate, other financial service activities, activities of holding companies	100%	100%
Dino Oil sp. z o.o.	Krotoszyn	Manufacture and processing of refined petroleum products, retail sale of automotive fuel in specialized stores	100%	100%
Dino Krotoszyn sp. z o.o.	Krotoszyn	Warehousing and storage services, processing and preserving of meat, excluding poultry meat	100%	100%
Dino Południe sp. z o.o.	Krotoszyn	Operation of warehousing and storage facilities for goods	100%	100%
eZebra.pl sp. z o.o.	Lublin	Retail sales run by mail order houses or the Internet	75%	-
JTG Polska sp. z o.o.	Lublin	Warehousing and storage of other goods	75%	-
3BOOM sp. z o.o.	Lublin	Advertising agencies activities	75%	-

As at 31 December 2024 and 31 December 2023, the percentage of the total number of votes held by the Group in its subsidiaries is equal to the Group's percentage of their capital.

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 (which holds a 100% equity stake in the subsidiaries doing business as JTG Polska sp. z o.o. and 3BOOM sp. z o.o.), while it has held a 75% equity stake from registering the increase in eZebra's share capital. The total price for the Shares was PLN 63 million, with PLN 51.5 million as payment for secondary shares and PLN 11.5 million forming a contribution to eZebra made by the Company subscribing for new shares in eZebra's share capital. In conjunction with the acquisition of eZebra the Group also acquired its subsidiaries, i.e. JTG Polska sp. z o.o. and 3BOOM sp. z o.o. (hereinafter jointly the eZebra Group). Pursuant to the Agreement, a call option (Call Option) was granted to the Company to acquire the remaining 25% equity stake in eZebra, and the Founders have a put option (Put Option) to sell it to the Company. The Call and Put Options are in force for 6 months following the elapse of 5 years and 6 months and 5 years and 9 months. The option share price is a multiplier of the EBITDA eZebra generates in the year preceding the option's execution. As at 31 December 2024 the Group recognized liabilities by virtue thereof in the amount of PLN 22,936thousand. The Call Option value is immaterial and that is why it is not recognized in the consolidated financial statements.

The Preliminary Conditional Share Purchase Agreement and the Shareholder Agreement of 17 October 2023, which the Company reported in current report no. 8/2023 and the Share Purchase Agreement of 3 April 2024, which the Company reported in current report no. 5/2024 as a result of whose execution the Company became a shareholder in eZebra.pl sp. z o.o. were challenged by the plaintiff who lodged a statement of claim to deem the foregoing agreements to be ineffective in respect of the plaintiff. The Company, eZebra.pl Sp. z o.o. and the founders of eZebra.pl Sp. z o.o. do not concur with the plaintiff's claim and will defend their position in court.

The company doing business as 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 Group's intention is to cooperate with the Founders and the eZebra management to further the business development of the eZebra.pl drug store and jointly build competences in e-commerce. The Founders will continue to serve in the eZebra Management Board to oversee the execution of its growth strategy.

During the period since the date of acquisition, eZebra and its subsidiaries generated a net profit of PLN 2,997 thousand and their sales revenue totaled PLN 109,434 thousand. Had the acquisition of the shares in eZebra taken place at the beginning of the period, i.e. on 1 January 2024, the net profit contribution to the Dino Polska Group would have been PLN 4,139 thousand and the sales revenue contribution to the Dino Polska Group would have been PLN 137,263 thousand under the assumption that the fair value would have been the same as on the share acquisition date.

Non-controlling interests were determined proportionately to the percentage of the fair value of the acquired net assets. The goodwill on eZebra's identifiable assets and liabilities as of the date of acquiring control was as follows:

(in thousands of PLN)	Goodwill as of the date of acquisition
Acquired assets	
Property, plant and equipment	18,499
Intangible assets - 'eZebra' trademark and internet domains	36,142
Intangible assets - other	40
Deferred tax assets	4,961
Inventories	18,462
Current receivables	5,841
Cash	8,624
Other assets	73
Total assets	**92,642**

(in thousands of PLN)

Acquired liabilities	
Liabilities for bank loans	11,039
Trade payables	13,823
Other liabilities and provisions	8,257
Total liabilities	**33,119**
Net asset value	**59,523**
Non-controlling interests in net assets under the proportionate share method	**16,534**
Acquired percentage of share capital	72.22%
DINO POLSKA S.A.'s percentage of eZebra's net assets	**42,989**
Purchase price remitted in cash	**51,460**
Goodwill as of the date of acquisition	**8,471**

The share acquisition transaction has been accounted for in accordance with IFRS 3 *Business combinations.* The goodwill recognized under this acquisition represents the synergies and economies of scale in terms of operating expenses, the strategic benefits ensuing from the potential offered by the Group's new market and the know-how of the acquired organization. Goodwill is allocated to the internet sales operating segment. The valuation of the goodwill related to the eZebra trademark and websites was performed using the income method – exemptions from licensing fees. This method represents the income method to valuation and involves specifying the value of trademarks as the present value of the future hypothetical licensing fees the owner of a trademark would be required to incur if it were not its owner and would be compelled to license the same brand, or a similar brand. The gross value of the acquired current receivables was PLN 5,841 thousand, where the expectation is that it will be paid in full. The goodwill formed on the date of acquisition is not tax deductible for the purpose of determining the income tax liability. The share acquisition transaction was finally settled as of the reporting date.

3. Composition of the parent company's Management Board

As at 31 December 2024, the Management Board of the parent company consisted of the following persons:

Izabela Biadała – Management Board Member

Michał Krauze – Management Board Member

Piotr Ścigała – Management Board Member

On 11 December 2024, Mr. Marcin Jędraszak was appointed to the Management Board under a Supervisory Board decision for the Management Board's joint term of office, which will begin on 1 January 2025.

Up to the date of approving these consolidated financial statements, the composition of the parent company's Management Board did not change.

4. Approval of the financial statements

These consolidated financial statements were approved for publication by the Management Board on 11 April 2025.

5. Material professional judgments and estimates

5.1. Professional judgment

The preparation of the Group's consolidated financial statements requires the Management Board of the parent company to make judgments, estimates and assumptions that affect the presented revenues, costs, assets and liabilities and related notes and disclosures regarding contingent liabilities. Uncertainty about such assumptions and estimates may result in significant adjustments to the book amounts of assets and liabilities in the future.

In applying the accounting policies, the Management Board has made the following judgments that have the greatest impact on the presented book amounts of assets and liabilities.

Classification of reverse factoring agreements

The Company utilizes reverse factoring agreements in reference to its liabilities to manage working capital whereby it submits invoices for purchases from selected suppliers for the purpose of factoring. Considering the potential impact exerted by these types of agreements on the statement of cash flows and the statement of financial position, the Management Board makes a judgment on whether in connection with the utilization of factoring, the nature of the liability materially changes and whether it is necessary to alter its presentation. The Group classifies reverse factoring payables as trade payables because, in the Management Board's view, no significant changes have occurred in the nature of these payables in connection with their transfer to factoring, including among other things, the term of payment for payables in reverse factoring does not significantly exceed the terms of payment for payables established with various suppliers. The Group's accounting policy regarding reverse factoring contracts is disclosed in note 9.16, while the balance of liabilities related to these types of settlements is disclosed in note 26.1 hereof, while the description of liquidity-related risks is disclosed in note 31.3.

Borrowing costs

The Group makes considerable capital expenditures for property, plant and equipment - for the retail store network rollout. The stores are built using a standard format and straight-forward structures whose construction does not require a significant amount of time. The Group incurs substantially higher capital expenditures during the process of executing an investment (store construction), this includes making payments for the land being purchased with respect to which preliminary agreements were previously executed and for the construction work being done. Ordinarily, this period spans several months and does not ordinarily exceed one year.

Accordingly, the Management Board has made a significant judgment on recognizing these assets as assets that do not satisfy the criteria for adjusting an asset under IAS 23, and as a consequence, it does not capitalize the cost of interest for the loans taken down and outstanding bonds.

Recognition of the Put Option to purchase non-controlling interests

The Management Board of the parent company has made a judgment on whether, following the Group's purchase of a majority equity stake in eZebra the non-controlling interests have access to a return on the shares they hold and as a consequence it recognized the obligation to purchase these interests in correspondence with other capital accounts. The value of the liability on the initial recognition date has been fixed as the present value of the option strike price. The accounting policy on this subject is described in note 9.1 and the accounting for the eZebra acquisition is described in note 2.

Sales of press and telecommunication charge-ups

Pursuant to the conditions of the contracts it has executed the Group acts as a middleman in the sale of press and telecommunication charge-ups. Accordingly, sales revenue only recognizes commissions or the margin generated by these types of sales. In particular, when it comes to telecommunication charge-ups the Group does not exercise control over this service prior to the moment of rendering it to a client, nor does not it bear any accountability for the provision of the telecommunication service.

Deferred tax asset related to special zone-related relief

Having regard for the business conducted by the Group in special economic zones, the Group will benefit from a corporate income tax exemption with respect to the business activity covered by the zone-related permit. The condition for benefiting from this relief is satisfying quantitative conditions, i.e. incurring qualified costs (execution of an investment). For the purpose of recognizing the aforementioned relief the Group applies by analogy IAS 12 *Income tax* according to which the Group recognizes the deferred tax asset on the awarded relief in correspondence with the income tax in profit or loss during the period in which it satisfies the requirements prescribed by the pertinent decision to provide support (i.e. in particular at the time of incurring the required amount of qualified costs). The recognition of a deferred tax asset entails a judgment regarding the ability to generate taxable income in the future sufficing to settle the awarded relief.

Lease periods

For most lease agreements the Group accepts the lease term that is consistent with the term of validity of the group. For contracts executed for an unspecified term the Group establishes a minimum period for two parties to be tied to the agreement. For contracts executed for an indefinite term the Group accepts that the irrevocable term of validity of the contract is the period for the termination of said agreement. The accounting policy is described in note 9.5 and the values and other disclosures are in note 15.

5.2. Uncertainty of estimates and assumptions

Discussed below are the major sources of uncertainty existing as at the reporting date, entailing significant risk of considerable adjustment of the book values of assets and liabilities in the next financial year. In the course of drawing up the consolidated financial statements, the Group has made certain forward-looking assumptions and estimates. These assumptions and estimates may change as a result of future events resulting from market changes or changes that are not controlled by the Group. Such changes will be reflected in the estimates or assumptions at the time of their occurrence.

Impairment of trademarks and goodwill

The Group has tested the impairment of trademarks and goodwill that are not subject to depreciation and amortization. It required an estimate of the value in use of the cash generating unit to which the goodwill and trademarks are allocated. The estimation of value in use is based on the determination of future cash flows to be generated by the cash generating unit and requires determination of the discount rate for calculating the present value of these cash flows. The assumptions made for this purpose are presented in Note 16.

Settlement of benefits under contracts with suppliers

The Group enters into contracts with suppliers on whose basis it obtains rebates and discounts that above all hinge on the volume of purchases as well as promotional and marketing activity. The benefits derived from these contracts are recognized as a reduction in the purchase price of merchandise from suppliers and accordingly as a reduction in the cost of goods sold presented in the statement of profit or loss as the cost of sales at the time of the sale of merchandise.

At the end of the reporting period the Group sets the value of the benefits due but not settled under supplier agreements based on the sales achieved and the trading conditions with suppliers. The justified portion of the benefits received under the agreements with suppliers is allocated to unsold merchandise as at the reporting date as a reduction in their purchase price.

Measurement of inventories

The Group measures inventories at the lower of two values: purchase price/production cost and net realizable sales price. The net realizable price is estimated as the sales price that can be achieved in the course of the entity’s normal business, less the estimated costs required to finalize the sale. Moreover, in order to state in real terms the balance of inventories at the end of the reporting period, the Group sets up a provision for expected, albeit unidentified inventory losses for the period from the last conducted inventory based on the historical statistics for inventory differences.

Assessment of the impact exerted by climate change

The Dino Group monitors physical risks and climate-related opportunities. Dino Polska owns a grocery store network operating in Poland with the primary business of sales of groceries. The Company is of the opinion that the climate-related physical risks are not material in the short and medium term. Simultaneously, the Company thinks that, in the short and medium term and under the Company's current strategy, we will be able to prevent the emerging risks, among others by pursuing an active product assortment policy and a flexible policy in respect of creating inventories. The short-term risks related to climate-change pertain in particular to the intensification of extreme weather phenomena such as extremely high ambient temperatures, extreme rainfall and windstorms. They may lead to higher operating expenses related to disruptions in the supply of electricity, or the need to store food in safe conditions and in the right temperature; they may also cause damage to the Company's property and adversely affect the timeliness of food supplies to distribution centers and stores. The Company has the pertinent action plans in the event of extreme weather-related phenomena.

In the long term and with the intensification of climate change, the physical risks may require additional initiatives to be undertaken within the current business model. In the long-term, the warming of the climate may pose a threat to crops, reduce the area and productivity of crops, which in the face of climbing global food demand contributes to the risk of limited availability and substantial price growth. As a result, the Company may be compelled to search for alternative products and incur incremental expenses, which it may not be able to offset through efficiency gains or suitable price hikes. These phenomena may affect in a similar way the production capabilities of the Dino Group itself, which is the owner of the Agro-Rydzyna meat processing plant. In accordance with the Company's evaluations made to date, the impact of these phenomena should not be of a material nature for the Dino Group in the long term.

In reference to the climate, the Dino Group has also identified a material transition risk. This risk is associated with the potential regulations that, in connection with the European Union's climate obligations may obligate various businesses to implement specific capital-intensive solutions or solutions requiring the incurrence of major operating expenditures.

As of the reporting date, the Group has evaluated the impact of climate change, including the climate regulations affecting its business, on the consolidated financial statements and has found that climate change does not currently affect the book value of assets and liabilities as at 31 December 2024. In particular, the Group considered the impact of climate change on current estimates and judgments, including the periods of using fixed assets and intangible assets. The Company has not ascertained any premises for adjusting the expected period for the usage of assets, for example, a shorter usage period due to climate-related changes. Climate-related changes do not have a material impact on the Group's reserves and contingent liabilities.

Depreciation and amortization rates

Depreciation rates are determined based on the expected useful life of property, plant and equipment, intangible assets and right-of-use assets. On an annual basis, the Group verifies the accepted useful life periods based on current estimates.

Lessee's marginal interest rate

The Group is not easily able to establish an interest rate for agreements pertaining to the right of perpetual usufruct to land; for that reason when measuring lease liabilities, the Group has applied the pertinent interest rate equivalent to the interest rate as a Group. These are the interest rates the Group would have to pay to borrow for a similar term, in the same currency and with similar collateral to purchase an asset of similar value as the right-of-use asset in a similar business environment.

Estimates and assumptions associated with accounting for the acquisition of a subsidiary

The Group identifies and measures acquired assets, liabilities and goodwill. This measurement incorporates a number of material assumptions such as the following among others: selection of the appropriate measurement method and financial forecasts. The adopted assumptions may exert a material influence on specifying the goodwill of the acquired assets and liabilities and on determining goodwill. The accounting for a business combination, including the recognition of the put option is presented in note 2 of these consolidated financial statements.

Defined benefit plans

In accordance with internal remuneration regulations, Group employees are entitled to retirement severance benefits, distributed on a non-recurring basis, at the time of retirement. The present value of employee benefits following the period of employment on every reporting date is computed by an independent actuary using actuarial methods. Demographic information and employee turnover information are based on historical data - notes 9.18 and 25.

6. Basis for preparation of consolidated financial statements

These consolidated financial statements have been prepared in accordance with the historical cost convention.

These consolidated financial statements are presented in Polish zloty ("PLN") and all amounts are given in thousands of PLN, unless otherwise stated.

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

As at 31 December 2024, the Group presented an excess of current liabilities over current assets, which happens frequently in the retail industry, where a predominant part of sales is made for cash, inventories are minimized 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 reporting date of 31 December 2024 the terms and conditions of the credit facilities, including their covenants have not been broken and the Management Board is of the opinion there is no risk that banks may terminate such agreements within 12 months of the reporting date of 31 December 2024. As at the reporting date the Group has open and unused lines of credit for PLN 435 million that can be used to manage the Group's liquidity. Issues related to liquidity are described in Note 31.3. Having regard for the above the Management Board has not identified any circumstances that could engender material doubts regarding the Group's ability to continue doing business for at least 12 months from the reporting date and endorsement of the going concern assumption.

6.1. Statement of conformity

These consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards approved by the European Union ("EU IFRS"). The EU IFRS include standards and interpretations accepted and published by the International Accounting Standards Board ("IASB").

The Group's entities keep their accounting books in accordance with the accounting policies set forth in the Accounting Act of 29 September 1994 (the "Act"), as amended, and the regulations issued on its basis ("Polish Accounting Standards"). These consolidated financial statements include a number of adjustments not included in the accounts of the Group companies, which were made to bring the financial information of those companies into conformity with EU IFRS.

6.2. Functional currency and presentation currency

The Group's consolidated financial statements are presented in PLN, which is also the functional currency of the parent company and of the subsidiaries.

7. Changes in accounting policies applied

The accounting principles (policies) used to draw up these financial statements are consistent with the ones that were used to draw up the Group's financial statements for the year ended 31 December 2023, except for the change in the presentation of liabilities for employee benefits in the statement of financial position described in note 7.1

and except for the application of new or modified standards and interpretations in force for annual periods beginning on or after 1 January 2024.

New or amended standards or interpretations that are in force for the first time in 2024.

- Amendments to IAS 1 *Presentation of Financial Statements* – classifying liabilities as current or non-current and non-current liabilities containing contractual clauses - the Group satisfies all of the contractual conditions of the loan agreements (covenants) and does not anticipate breaking them; that is why the Management Board has deemed that these amendments do not have a material impact on the consolidated financial statements.
- Amendments to IAS 7 *Statement of Cash Flows* and IFRS 7 *Financial Instruments – Disclosures* - amendments introduce a requirement of making new disclosures regarding reverse factoring. The Group utilizes reverse factoring. Accordingly, the Group has made additional disclosures in these consolidated financial statements - note 26.1 and note 31.3.
- Amendments to IFRS 16 **Leases** – lease liabilities in sale and lease-back transactions - the amendments do not have a material impact on the consolidated financial statements.

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

7.1. Change in the presentation of the liabilities for employee benefits

The Company's Management Board has performed an analysis of the presentation of liabilities for employee benefits used to-date in the statement of financial position and has made the decision to modify how they are presented.

Separately presenting the collective line items of liabilities for employee benefits as non-current and current in the statement of financial position is consistent with the general requirements of IAS 1, where the collective presentation aims to enhance the transparency of the statement of financial position by grouping line items of a similar nature and is aligned to the information requirements of the users of the Group's financial statements. The impact exerted by the change of presentation on selected line items in the statement of financial position as of 1 January 2023 and 31 December 2023 and on the statement of cash flows for the year ended 31 December 2023 has been presented below. The change does not exert an impact on the statement of profit or loss.

31 December 2023

(in thousands of PLN)	***Selected line items in the statement of financial position in accordance with the approved consolidated financial statements***	***Change***	***Selected line items in the statement of financial position following the change in presentation***
Provision for employee benefits	10,900	(10,900)*	-
Liabilities for employee benefits	-	10,900	10,900
Other	882,211	-	882,211
Total non-current liabilities	**893,111**	**-**	**893,111**
Trade and other payables	3,274,908	(178,940)***	3,095,968
Accruals and deferred revenue (Currently: Deferred income)	128,264	(126,885)**	1,379
Provision for employee benefits	1,448	(1,448)*	-
Liabilities for employee benefits	-	307,273	307,273
Other	474,673	-	474,673
Total current liabilities	**3,879,293**	**-**	**3,879,293**

** Presentation of the provision for pension benefits; ** Presentation of the provision for unused holiday leave; *** Presentation of liabilities for remuneration*

1 January 2023

(in thousands of PLN)	***Selected line items in the statement of financial position in accordance with the approved consolidated financial statements***	***Change***	***Selected line items in the statement of financial position following the change in presentation***
Provision for employee benefits	5,794	(5,794)*	-
Liabilities for employee benefits	-	5,794	5,794
Other	1,103,355	-	1,103,355
Total non-current liabilities	**1,109,149**	**-**	**1,109,149**
Trade and other payables	2,794,077	(143,028)***	2,651,049
Accruals and deferred revenue (Currently: Deferred income)	86,054	(85,667)**	387
Provision for employee benefits	965	(965)*	-
Liabilities for employee benefits	-	229,660	229,660
Other	809,031	-	809,031
Total current liabilities	**3,690,127**	**-**	**3,690,127**

** Presentation of the provision for pension benefits; ** Presentation of the provision for unused holiday leave; *** Presentation of liabilities for remuneration*

Year 2023

(in thousands of PLN)	***Selected line items in the statement of cash flows in accordance with the approved consolidated financial statements***	***Change***	***Selected line items in the statement of cash flows following the change in presentation***
Cash flow from operating activities			
Profit before tax	*1,738,981*	-	*1,738,981*
Depreciation and amortization	356,828	-	356,828
(Profit)/loss on investment activity	6,531	-	6,531
Interest income	(9,006)	-	(9,006)
Interest expense	147,316	-	147,316
Other	(4,691)	4,691	-
Movement in working capital			
Movement in inventories	(660,081)	-	(660,081)
Movement in trade receivables and other receivables	(54,668)	423	(54,245)
Movement in provisions	5,589	(5,589)	-
Movement in liabilities, except for loans and borrowings	493,946	43,109	537,055
Movement in prepayments, accruals and deferred revenue	42,634	(42,634)	-
Income tax paid	(291,839)	-	(291,839)
Net cash from operating activities	**1,771,540**	**-**	**1,771,540**

8. New standards and interpretations published but not effective

New standards and interpretations published by the International Accounting Standards Board (IASB) but are not yet effective:

- Amendments to IFRS 9 and IFRS 7 *Amendments to the Classification and Measurement of Financial Instruments* - are effective for annual periods beginning on or after 1 January 2026. Earlier application is permitted.

Settlement of liabilities using electronic payment systems

In practice, differences were present in terms of the dates of recognizing and ceasing to recognize financial assets and financial liabilities, especially when they are settled using electronic payment systems. The amendments to IFRS 9 state more precisely when financial assets or financial liabilities are recognized and when their recognition is discontinued. According to the amendments the entity ordinarily ceases to recognize its trade payables on the date of their settlement. Ordinarily this is the date on which payment is remitted. The amendments also contemplate an optional exception that allows an entity to cease to recognize its trade payables before the settlement date, potentially on the date on which the payment is initiated and cannot be cancelled. This exception is available when the entity uses an electronic payment system that meets all of the following criteria:

- lack of a practical possibility of retracting, stopping or cancelling a payment order;
- lack of a practical possibility of accessing the cash that may be used to make the settlement as a result of a payment order; and
- the settlement risk associated with an electronic payment system is inconsequential.

Entities may elect to apply an exception for electronic payments in reference to every payment system separately.

Classification of financial assets with ESG features

On the basis of IFRS 9 it was not clear whether the cash flows ensuing from a contract linked to some financial assets with ESG features satisfy the SPPI test (Solely Payments of Principal and Interest), which is a condition for measurement at amortized cost. This may lead to a measurement of financial assets with ESG features at fair value through the financial result. These amendments introduce an additional SPPI test for financial assets with contingent features that are not directly linked to a change in the underlying risks or borrowing costs – e.g. when the cash flows change depending on whether a borrower satisfies the ESG goal specified in a loan agreement.

According to the amendments some financial assets, including those with ESG features may now satisfy the SPPI test provided that the cash flows on these assets do not differ substantially from the cash flows on an identical financial asset that does not have such a feature.

The amendments also include additional disclosures for all financial assets and financial liabilities that have certain contingent features that are:

- not directly linked to a change in the underlying risks or borrowing costs; and
- not measured at fair value through profit or loss.

Contractually linked instruments (CLI) and non-recourse features

The amendments explain the key CLI features and how they differ from financial assets with non-recourse features. The amendments also entail factors an entity must take into consideration when evaluating the cash flows resulting from financial assets with non-recourse features (“look through test”).

Disclosures pertaining to investments in capital instruments

The amendments call for additional disclosures for investments in capital instruments measured at fair value through other comprehensive income (FVOCI).

- Amendments to IFRS 9 and IFRS 7 *Nature-dependent Electricity Contracts* - are effective for annual periods beginning on or after 1 January 2026; earlier application is permitted.

These amendments facilitate a better reflection in the financial statements of nature-dependent electricity contracts, which are also referred to as power purchase agreements (PPA). These amendments explain the application of the exception pertaining to the usage of these contracts for internal needs; they change hedge accounting requirements to facilitate the application of power purchase agreements from nature-dependent renewable energy sources as a hedge instrument if certain terms and conditions are satisfied; they introduce additional requirements pertaining to the disclosure of information to enable investors to comprehend the impact exerted by these contracts on a company's financial results and future cash flows.

- IFRS 18 *Presentation and Disclosure in Financial Statements* - is effective for annual periods beginning on or after 1 January 2027 with earlier application permitted.

IFRS 18 replaces IAS 1 Presentation of Financial Statements. The major changes to the requirements are summarized below:

More structured statement of profit or loss

IFRS 18 introduces newly defined subtotals "operating profit" and "profit before financing and income taxes" and a requirement for all income and costs to be allocated to three new distinct categories relating to the principal types of a company's activities: operating activity, investing activity and financing activity. According to IFRS 18 companies may no longer disclose information on operating costs solely in notes. The Company presents operating costs in a manner providing for the "most useful and structured summary" of its costs by their nature and function or by applying a mixed presentation. If operating costs are presented by function, then the new disclosures are applicable.

Management-defined performance measures – disclosure and subject to audit

IFRS 18 also requires for some measures that do not follow from generally accepted accounting principles to be reported in financial statements. This standard introduces a narrow definition for management-defined performance measures requiring the following:

- they must constitute subtotals of income and costs;

- they must be used in publication communication outside the financial statements; and

- they must reflect the management's view of the financial results.

For each management-defined performance measure presented, companies must in a single note to the financial statements explain why this measure supplies useful information, how it is computed and reconcile it with the amount determined in accordance with IFRS Accounting Standards.

Greater disaggregation of information

The new standard contains extended guidelines pertaining to how companies compile information in financial statements. This covers guidelines on how information is supposed to be contained in the basic financial statements or else how it is supposed to be additionally disaggregated in the notes.

Companies are dissuaded from designating items in the financial statements as "other" and they are obligated to disclose additional information if they continue to designate items in this way.

Other amendments applicable to the underlying financial statements

IFRS 18 establishes operating profit as the starting point for the indirect method of presenting cash flows on operating activity and eliminates the possibility of classifying cash flows from interest and dividends as operating activities in the statement of cash flows (this is done differently in companies with a specific core business activity). The standard also requires for goodwill to be presented as a new distinct item in the statement of financial position.

Initial application

In the annual financial statements prepared for a period in which a new standard is applied for the first time, the entity should disclose a reconciliation for every item in the statement on profit or loss for the comparative period directly preceding this period between:

- the restated amounts presented according to IFRS 18; and

- the amounts previously presented according to IAS 1.

- IFRS 19 *Subsidiaries without Public Accountability: Disclosures* - is effective for annual periods beginning on or after 1 January 2027 with earlier application permitted.

IFRS 19 allows eligible subsidiaries to apply the IFRS Accounting Standards for reduced requirements pertaining to the disclosures specified in IFRS 19.

A subsidiary may elect to apply a new standard in the new consolidated standalone or individual financial statements under the condition that as at the reporting date:

* it does not bear public accountability;

• its parent company prepares consolidated financial statements according to IFRS Accounting Standards.

A subsidiary applying IFRS 19 is obligated to state explicitly and unconditionally in its declaration on the application of IFRS Reporting Standards that IFRS 19 has been adopted.

- Annual corrections to IFRS accounting standards – Volume 11: Amendments to IFRS 1 *Application of International Financial Reporting Standards for the first time*; IFRS 7: *Financial instruments: Information Disclosure*, IFRS 9 *Financial Instruments*, IFRS 10 *Consolidated Financial Statements* and IAS 7: *Statement of cash flows* - are effective for annual periods beginning on or after 1 January 2026 with earlier application permitted).

These amendments pertain to IFRS 9 Financial instruments and four other accounting standards. The amendments to IFRS 9 pertain to the following:

- differences between IFRS 9 and IFRS 15 Revenue from Contracts with Customers in terms of the initial measurement of trade receivables; and

- how a lessee ceases to recognize a lease liability according to paragraph 23 of IFRS 9.

The amendments to IFRS 9 require an entity to measure trade receivables without a material finance component at the time of initial recognition at an amount determined according to IFRS 15. The amendments to IFRS 9 also state more precisely that at the time of stopping the recognition of lease liabilities according to IFRS 9, the difference between the book amount and the lease fee remitted is recognized in profit or loss.

The effective dates are the dates stemming from the standards published by the International Accounting Standards Board. The dates for the application of standards in the European Union may differ from the dates of application stemming from the standards and are published at the time of their endorsement by the European Union.

As at the date of approval of these financial statements for publication, the Management Board has not yet completed the assessment of the impact that the application of the remaining standards and interpretations on the Group's accounting policies in the context of its operations and on its financial results.

9. Significant accounting policies

9.1. Consolidation rules

These consolidated financial statements include the financial statements of Dino Polska S.A. and the financial statements of its controlled entities (subsidiaries) prepared for the year ended 31 December 2024. The financial year of the parent company and the group companies is the calendar year.

The financial statements of the subsidiaries, after taking into consideration adjustments introduced to make them compliant with EU IFRS, are prepared for the same reporting period as the statements of the parent company, applying consistent accounting principles, based on uniform accounting principles applied for transactions and similar economic events. To eliminate any discrepancies in the accounting standards applied, corrections are made.

All significant balances and transactions between Group units, including unrealized profits stemming from transactions within the Group have been wholly eliminated. Unrealized losses are eliminated unless they prove the occurrence of an impairment.

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 shape the level of the returns generated 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.

Business combinations / acquisitions not under common control are accounted for using the acquisition method.

In reference to acquisitions of companies that are not under common control, the cost of acquisition is set as the fair value of the transferred assets, outstanding capital instruments and liabilities taken down or acquired on the date of exchange. The identified acquired assets and liabilities and contingent liabilities acquired as part of a business combination are measured initially at their fair value on the acquisition date notwithstanding the size of any possible non-controlling interests. The Group measures non-controlling interests proportionately to the percentage of the fair value of the acquired net assets. In subsequent periods the value of non-controlling interests consists of the value recognized at initial recognition adjusted for changes to the value of the subsidiary's capital in proportion to the interests held. Comprehensive income is allocated to non-controlling interests even if this causes the value of these interests to be negative.

In acquisition transactions in which parties have agreed on call and/or put options regarding non-controlling interests, these options are recognized in the consolidated financial statements: call options - as financial derivatives measured at fair value, put options for which settlement is made in cash or other financial instruments, as a financial liability to acquire non-controlling interests and measured at the present value of the option strike price.

The obligation to acquire non-controlling interests is recognized in correspondence to other capital accounts if non-controlling shareholders still have access to a return of the interests held (present access method) or expected acquisition of non-controlling interests (anticipated acquisition method), i.e. by eliminating non-controlling interests. The Group recognizes changes to the value of the obligation to acquire interests after their initial recognition in correspondence to other capital accounts.

Changes in a parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances the book value of the controlling and non-controlling interests should be adjusted by the Group to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received should be recognized in equity and attributed to the owners of the parent.

9.2. Currency translations

Transactions denominated in currencies other than PLN are translated into zloty at the rate effective on the transaction date.

As at the reporting date, monetary assets and liabilities denominated in currencies other than PLN are translated into zloty at the mid exchange rate quoted for a given currency by the National Bank of Poland (NBP) at the end of the reporting period. The resulting foreign exchange gains and losses are recognized as financial income/(expenses) or, where the accounting policies so provide, capitalized in the value of assets. Non-monetary assets and liabilities recognized at historical cost and expressed in a foreign currency are recognized at the historical rate in effect on the transaction date.

(in thousands of PLN)

For the purposes of balance sheet measurement, the following exchange rates have been assumed:

	31 December 2024	*31 December 2023*
EUR	4.2730	4.3480
USD	4.1012	3.9350

9.3. Property, plant and equipment

Property, plant and equipment are stated at purchase prices/production cost less accumulated depreciation and impairment losses. The initial value of fixed assets includes their purchase price plus all the costs directly related to the purchase and bringing the asset to the condition necessary for its use. This cost also includes the cost of replacement of component parts of machinery and equipment, which is recognized when incurred if relevant criteria are met. Costs incurred after a fixed asset is put into operation, such as costs of maintenance and repair, are charged to profit or loss when incurred. Property, plant and equipment also includes advances on future purchases of property, plant and equipment. The Group recognizes investments under execution as ones that do not satisfy the criteria for an adjusted financial asset under IAS 23 and as a consequence, it does not capitalize the cost of interest for the loans taken down and outstanding bonds.

Upon purchase, fixed assets are divided into components, which represent items of significant value that can be allocated to a separate period of useful life. The costs of major overhauls are also a component part.

Property, plant and equipment is depreciated on a straight-line basis over their estimated economic useful lives, as detailed in the following table:

Type	*Period*
Buildings and structures	10-40 years
Plant and equipment	3-12 years
Means of transport	5-7 years
Other fixed assets	2-12 years

The term of use and the method of depreciation of assets are reviewed annually and adjusted if required as at the reporting date.

A property, plant and equipment item may be derecognized from the consolidated statement of financial position after its disposal or when no economic benefits are expected from the continued use of the asset. All the profits or losses resulting from removing an asset from the consolidated statement of financial position (calculated as a difference between the possible net sale price and the book value of the item) are recognized in profit or loss of the period when such removal took place.

Investments in progress are fixed assets under construction or under assembly and are recognized at purchase price or production cost less any impairment loss. Fixed assets under construction are not depreciated until the construction is completed.

9.4. Intangible assets

Intangible assets acquired in a separate transaction or produced (if they meet the criteria for being recognized under cost of research and development) are initially recognized at purchase price or production cost. The purchase price of intangible assets acquired in a business combination is equivalent to their fair value as at the date of the combination. After initial recognition, intangible assets are recognized at purchase price or production cost, less accumulated amortization and impairment loss. Outlays incurred for intangible assets developed in-house, with the exception of the outlays incurred for development work, are not capitalized and are recognized as costs of the period in which they were incurred.

The Group determines whether intangible assets have definite or indefinite useful lives. Intangible assets with indefinite useful lives are amortized over their useful lives and assessed for impairment whenever there is an indication of impairment. Useful lives are reviewed each year. The changes in the expected useful life or the expected method of consuming the economic benefits from a given asset are recognized through a change to the period or method of depreciation and amortization, respectively, and are treated as changes to estimates. Amortization of intangible assets with specified useful lives is recognized in profit or loss in the category that corresponds to the function of the relevant intangible asset.

Intangible assets with indefinite useful lives (goodwill and trademarks) are subjected to an impairment test at the level of individual assets or a cash-generating unit.

A summary of the standards used in reference to the Group's intangible assets is presented as follows:

	Goodwill and trademarks
Useful lives	Unspecified
Impairment test	Annual

	Other intangible assets
Useful lives	2-10 years
Amortization method used	Straight-line method
Impairment test	Annual evaluation if evidence of impairment exists.

Gains or losses arising upon derecognition of intangible assets from the consolidated statement of financial position are calculated at a difference between net sales revenues and the book amount of the asset and are recognized in profit or loss when they are derecognized from the consolidated statement of financial position.

9.4.1. Goodwill

Goodwill arising from the acquisition of a business is initially recognized at purchase price as the excess of the sum total of the following:
- the consideration transferred,
- the amount of all non-controlling interests in the acquiree and
- in a business combination proceeding in stages, the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree
- above the net fair value of the identifiable assets acquired and assumed liabilities on the date of acquisition.

After initial recognition, goodwill is measured at purchase price less all the accumulated impairment losses. Goodwill is tested for impairment once a year or more frequently if necessary. Goodwill is not amortized.

At the acquisition date, the acquired goodwill is allocated to each cash-generating unit which may take advantage of the synergy of the combination. Each unit or group of units to which goodwill has been allocated:

- corresponds to the lowest level in the Group for which information regarding goodwill is available and

- is not greater than a single business segment as defined in IFRS 8 Operating Segments, prior to the application of the aggregation criteria.

An impairment loss is determined by estimating the recoverable amount of the cash-generating unit to which the relevant goodwill has been allocated. If the recoverable amount of the cash-generating unit is lower than the book amount, an impairment loss is recognized.

9.5. Leases

9.5.1. Group as a lessee

The Group assesses at the time of entering into a contract whether the contract is a lease or contains a lease. A contract is a lease or contains a lease if it conveys the right to control the usage of an identifiable asset for a given period in exchange for consideration.

The Group applies a uniform approach to the recognition and measurement of all lease agreements except for short-term leases and low value asset leases, i.e. whose value is up to PLN 20 thousand. These short-term and low value asset leases are not recognized as right-to-use assets; the current settlements related to them are recognized in trade payables and the costs of external services while the flows related to them are carried in the statement of cash flows in cash flows on operating activity.

On the commencement date of a lease, the Group recognizes a right-of-use asset and a lease liability.

Right-of-use assets

The Group recognizes right-of-use assets on the date of commencing a lease (i.e. the day on which the underlying asset is available for use). Right-of-use assets are measured at cost minus the total depreciation charges and impairment losses. The cost of right-of-use assets involves the amount of lease liabilities, the direct initial costs incurred and any and all lease payments paid on the date of commencement, or prior to that date, minus any and all lease incentives received. If at the end of the lease term the Group obtains title of ownership to the leased object, the recognized right-of-use assets are depreciated using the linear method for the shorter of two periods: the estimated period of use or the lease term.

Lease liabilities

On the date of commencement of a lease, the Group measures the lease liabilities as the present value of the lease payments remaining to be paid on that date. Lease payments include fixed payments (including in principle fixed lease payments) minus any and all lease incentives due, variable payments that are pegged to an index or rate and the amounts whose payment is expected under the guaranteed residual value. Lease payments also include the call option strike price if one may with sufficient certainty posit that the Group will exercise it as well as the payments of cash penalties for the termination of a lease if the terms of the lease contemplate the Group's option to terminate the lease, insofar as there is reasonable assurance that termination will not transpire. Variable lease payments that are not pegged to an index or a rate are recognized as an expense in the period in which a payment-triggering event or condition transpires.

When computing the present value of lease payments, the Group applies the lessee's marginal interest rate on the date of commencing the lease if the lease's interest rate cannot be determined easily. After the date of commencement, the quantum of the lease liabilities is adjusted upward to reflect interest and downward to reflect the remitted lease payments. Moreover, the book amount of lease liabilities is subject to re-measurement if the term of the lease is changed, the fixed lease payments are fundamentally changed or the judgment concerning the purchase of the underlying assets is changed.

Short-term leases and low value asset leases and floating lease payments

The Group applies an exemption from recognizing a short-term lease among its short-term lease agreements (i.e. agreements whose term of lease is 12 months or less from the date of commencement and do not contain a purchase option). The Group also applies an exemption from recognizing low value asset leases with respect to a low value asset lease, i.e. up to PLN 20 thousand, e.g. flower trolleys, electricity generators.

Lease payments for short-term and low value asset leases are recognized as operating expenses using the straight-line depreciation method during the term of lease. In lease agreements for which the value of monthly rent hinges on the trading volume, the amounts of the monthly installments are recognized as costs of the period. The cash flows associated with short-term and low value leases are carried in the statement of cash flows in cash flows on operating activity.

9.6. Impairment of non-financial non-current assets

As at every reporting date the Group assesses whether there are any premises indicating that an impairment could occur with respect to any of its non-financial non-current assets, including any right-of-use asset. If any such indication exists, the Group estimates the recoverable amount of the asset or the cash-generating unit to which the asset belongs.

Recoverable amount of an asset or a cash generating unit is equal to either: its fair value less the cost to sell such asset or cash generating unit, or its value in use, whichever is higher. Recoverable amount is determined for individual assets, unless the asset does not by itself generate any cash proceeds, which are mostly independent from those generated by other assets or asset groups. If the book value of an asset is higher than its recoverable amount, then an impairment transpires and an impairment loss up to the recoverable amount is recognized. When estimating the value in use, the forecast cash flows are discounted to their present value using the discount rate before the effects of taxation are taken into account, which reflects the current market estimation of time value of money and risk typical for a given asset. Impairment losses on assets used in the continuing operations are recognized in those cost categories that correspond to the function of the impaired asset.

On each reporting date, the Group assesses whether any evidence exists that the impairment loss recognized in prior periods for an asset is no longer necessary or whether it should be reduced. If such evidence exists, the Group estimates the recoverable amount of the asset. A previously recognized impairment loss, with the exception of a goodwill impairment, is reversed only when the estimated values used to determine the recoverable amount of the asset changed since the last impairment loss was recognized. If this is the case, the book amount of the asset is increased to its recoverable amount. The increased book amount of an asset attributable to a reversal of an impairment loss will not exceed the carrying amount that would have been determined (net of amortization or depreciation) had no impairment loss been recognized for the asset in prior years. After a reversal of an impairment loss is recognized, the depreciation (amortization) charge for the asset will be adjusted in future periods to allocate the asset's revised book value, less its residual value, on a systematic basis over its remaining useful life.

9.7. Financial assets

Classification of financial assets

Financial assets at the time of their initial recognition are classified into the following measurement categories:

- measured at amortized cost if the financial asset is not designated as measured at fair value through profit or loss and is maintained according to the business model whose purpose is to maintain financial assets for the purpose of obtaining cash flows from a contract, and the terms and conditions of the contract related to the financial asset cause cash flows to be generated on specific dates, that are solely payments of principal and interest on the outstanding principal;
- measured at fair value through other comprehensive income if the financial assets are not designated as measured at fair value through profit or loss and are maintained according to the business model for the purpose of obtaining cash flows from a contract, and the sale of the financial assets and the terms and conditions of the contract related to the financial assets cause cash flows to be generated that are solely payments of principal and interest;
- measured at fair value through profit or loss – all other financial instruments.

The Group does not hold any financial assets measured at fair value.

The Group classifies the following to the category of financial assets measured at amortized cost: receivables, granted loans which, according to the business model, are carried as held to generate cash flows, cash and cash equivalents.

Interest income is calculated using the effective interest rate method and is shown in the statement of profit or loss in the line item entitled "Financial income".

Financial assets are not subject to reclassification after their initial recognition unless a business model change transpires in respect of them.

9.8. Offsetting financial assets and financial liabilities

In a situation where the Group:

- currently has a legally enforceable right to set off the recognized amounts and
- intends to settle it on a net basis or at the same time to realize an asset and perform an obligation

a financial asset and a financial liability are offset, and the net amount is presented in the statement of financial position.

9.9. Impairment of financial assets

The Group assesses its expected credit losses (ECLs) associated with debt instruments measured at amortized cost and fair value through other comprehensive income, regardless of whether or not there has been any indication of impairment.

The Group applies a two-stage approach to trade receivables. During the first stage an individual assessment is made of the credit risk of the business partner, the history of cooperation, the collateral held and other major factors. Individual impairment losses are ordinarily estimated to be 100% of the balance of receivables or the amount exceeding the collateral held. During the second stage for the purpose of establishing the impairment loss for expected credit losses the Group applies a simplified approach and establishes an impairment for the other balances of trade receivables on the basis of a table of overdue receivables by age based on the probability of insolvency within the overall lending period for all of the receivables covered by the calculation.

In the case of other financial assets, the Group measures a allowance for expected credit losses at the amount equal to the financial instrument's 12-month expected credit losses. If the credit risk related to a given financial instrument has significantly increased since its initial recognition, the Group measures a loss allowance for expected credit losses on a financial instrument at the amount equal to the expected credit losses over the instrument's lifetime.

9.10. Inventories

Inventories are measured at the lower of two values: purchase price / production cost and the net recoverable sales price.

The purchase price or the production cost of an inventory component takes into account all of the costs of purchase, the costs of conversion and other costs incurred in bringing the inventories to their present location and condition and are determined as follows:

Materials	-	at purchase price using the "first in, first out" method
Finished goods and work in progress	-	the cost of direct materials and labor and an appropriate overhead of indirect manufacturing costs determined under the assumption of normal production capacity utilization
Merchandise	-	at purchase price using the "first in, first out" method

The net realizable price is the estimated sales price that can be achieved in the course of the entity's normal business, less the costs of finishing and the estimated costs required to finalize the sale. The costs of transport from the warehouse to the stores are an element of valuation of the inventories and cost of sales at the time of their sale. Moreover, in order to state in real terms the balance of inventories at the end of the reporting period, the Group sets up a provision for expected, though unidentified inventory losses from the date of the last inventory of inventory losses based on the historical statistics for inventory differences identified in commercial facilities as applicable to the trading of various groups of merchandise. The costs of inventory losses, the provision for expected inventory losses and inventory impairments are recognized in the statement of profit or loss in own cost of sales. The value of inventories sold is recognized in cost of sales.

9.11. Trade receivables

Trade receivables are recognized and measured at originally invoiced amounts, including impairment for expected credit losses.

If the effect is material, the amount of receivables is determined by discounting projected future cash flows to their present value using pre-tax discount rates reflecting current market estimates of the time value of money and risks, if any, specific to a given obligation. If the discount method is applied, an increase in receivables as a result of lapse of time is recognized in financial income.

9.12. Other receivables

Other receivables include, in particular, receivables from sales vouchers, payment card payments, bid deposits made to purchase property, plant and equipment and receivables from employees. Receivables from the state budget are presented under other non-financial assets, except for corporate income tax receivables, which constitute a separate item in the consolidated statement of financial position.

9.13. Cash

Cash and short-term deposits presented in the consolidated statement of financial position include cash at bank and in hand, as well as short-term deposits with an original maturity of up to three months.

The balance of cash shown in the consolidated statement of cash flows includes the cash listed above.

9.14. Interest-bearing loans, borrowings and debt securities

At initial recognition, all bank loans, borrowings and debt securities are recognized at fair value less the cost of obtaining the loan or borrowing.

After initial recognition, interest-bearing loans, borrowings and debt securities are measured at amortized cost using the effective interest rate method.

When calculating amortized cost, the cost of obtaining the loan or borrowing must be taken into account, as well as any discounts and bonuses obtained in connection with the liability.

Income and costs are recognized in profit or loss upon derecognition of the liability from the consolidated statement of financial position and also as a result of a settlement using the effective interest rate method. The cash flows associated with bank loans are carried in the statement of cash flows in cash flows on financing activity.

9.15. Financial liabilities

The Group classifies financial liabilities into categories: measured at amortized cost, measured at fair value through profit or loss or financial hedge instruments.

Financial liabilities measured at amortized cost include bank loans drawn down, trade payables and other financial liabilities not classified as financial instruments measured at fair value through profit or loss.

The Group derecognizes a financial liability from its statement of financial position if the liability has expired, i.e. when the obligation specified in the contract is discharged or cancelled or expires.

9.16. Trade payables

Current trade payables are carried at the required payment amount.

Trade payables in reverse factoring are presented in the line item of the statement of financial position “Trade and other payables” in current liabilities, provided that the reverse factoring has not caused a significant change in the nature of the liability.

The cash flows to the factor are recognized as part of operating activity in the statement of financial position as they continue to be a normal part of the Group’s operating activity. Financial costs are recognized in financing activity. The assessment of whether a fundamental change in the nature of the liability has occurred is the Management Board’s judgment described in the section Professional judgment of the financial statements.

9.17. Other non-financial liabilities

Other non-financial liabilities include in particular liabilities to the tax office on account of value added tax and local taxes and liabilities on account of received advance payments to be settled by deliveries of goods or services. Other non-financial liabilities are recognized at the amount of required payment.

9.18. Employee benefits

In accordance with internal remuneration regulations, Group employees are entitled to retirement severance benefits. Retirement severance benefits are paid out as a one-off benefit upon retirement. The amount of retirement severance benefits depends on the number of years of employment and the average salary. The Group makes a provision for retirement severance benefits in order to allocate costs of those allowances to the periods, to which they relate. Under IAS 19, retirement severance benefits are post-employment defined benefit plans. The present value of these commitments for each reporting date is calculated by an independent actuary. The accrued liabilities equal the discounted payments to be made in the future and accounts for staff turnover, and relate to the period up to the reporting date. Demographic information and employee turnover information are based on historical data.

The remeasurement of employee benefit liabilities relating to defined benefit plans, including actuarial gains and losses, is recognized in other comprehensive income and is not reclassified subsequently to profit or loss.

The Group recognizes the following changes in net liabilities on account of defined benefits as part of the cost of sales, general administration expenses and sales and marketing expenses, respectively, which are composed of the following:

- service cost (including, but not limited to, current service cost, past service cost)
- net interest on the net defined benefit liability.

The Group incurs costs related to the operation of Employee Pension Schemes ("EPS") by making contributions to an investment fund. The Group recognizes the costs of contributions to an EPS in the same line item of costs in which it recognizes the costs of employee benefits serving as the basis for calculation. Liabilities for EPS are presented in trade and other liabilities.

9.19. Revenue

9.19.1. Revenue from contracts with customers

The Group applies IFRS 15 *Revenue from Contracts with Customers* to all its contracts with customers, with the exception of lease contracts covered by the scope of application of IFRS 16 *Leases*, financial instruments and other contractual rights or obligations covered by the scope of application of IFRS 9 *Financial Instruments*, IFRS 10 *Consolidated Financial Statements*, IFRS 11 *Joint Arrangements* and IAS 28 *Investments in Associates and Joint Ventures*.

The basic principle of IFRS 15 is the recognition of revenue at the moment of the transfer of goods or services to the customer, using a value reflecting the price expected to be received by the Group in return for the transfer of such goods or services. These rules are applied as part of the following five-step model:

- a contract with a customer has been identified,
- a performance obligation has been identified as part of the contract with a customer,
- the transaction price has been specified,
- the transaction price has been allocated to specific performance obligations,
- the moment of recognition of revenue is the same as the moment of performance of the obligation under the contract.

Identification of a contract with a customer

The Group recognizes a contract with a customer only if all of the following criteria have been satisfied:

- the parties to the contract have entered into a contract (in writing or in compliance with other customary commercial practices) and are required to perform their obligations;
- the Group is able to identify the rights of each party related to the goods or services to be delivered;
- the Group is able to identify the payment terms for the goods or services to be delivered;
- the contract has economic content (i.e. it may be expected that as a result of the contract the risk, timing or amount of the Group's future cash flows will be changed); and
- it is probable that the Group will receive remuneration which it will be entitled to in return for the goods or services that will be delivered to a customer.

When assessing whether the receipt of the amount of such remuneration is probable, the Group only considers the customer's ability and intention to pay the remuneration amount in a timely manner.

Identification of performance obligations

Upon execution of the contract, the Group measures the goods or services promised to be delivered in the contract with the customer and identifies as a performance obligation any promise to deliver to the customer a good or service (or a bundle of goods or services) that may be separated out or groups of separate goods or services that are basically the same and for which their delivery to the customer is of the same nature.

The good or service promised to be delivered to the customer is separate in nature if both of the following conditions are satisfied:

- a customer may benefit from the good or service either directly or through its being connected to other resources that are readily available to the customer, and
- the Group's obligation to transfer the good or service to the customer may be identified as separate from the other obligations specified in the contract.

Determination of the transaction price

In order to determine the transaction price, the Group takes into account the terms of the contract and the customary commercial practices. The transaction price is the amount of remuneration which, as the Group expects, will be payable in return for the delivery of the promised goods or services to the customer, with the exception of any amounts collected on behalf of third parties (for instance certain sales taxes).

Allocation of the transaction price to performance obligations

The Group allocates the transaction price to each performance obligation (or to a separate good or service) in an amount that reflects the amount of remuneration which, as the Group expects, is payable to it in return for the delivery of the promised goods or services to the customer.

Fulfillment of performance obligations

As part of the business it conducts the Group identifies the performance obligation in the form of transferring merchandise as part of on-site sales or mailing merchandise as part of internet sales. The sales revenue is recognized at the time of transferring the promised good to the client, which in practice is tantamount to the moment of paying for those goods.

The Group generates most of its revenue on sales of food and it is not obliged to accept returns of food products and goods sold. At the time of transferring an asset to a customer (the customer obtaining control over the asset), the Group does not expect the goods and products sold to be returned in the future. The Group does not enter into any contracts with customers that include variable amounts of consideration (revenue) resulting from discounts, rebates or performance bonuses granted and it does not extend options to customers to obtain additional goods or services free of charge or at a reduced price in the form of add-ons or loyalty points. Clients who make internet purchases are vested with the right to retract from the agreement within a time limit of 14 days. The Group estimates the value of future potential returns based on historical sales results and recognizes them as an adjustment to sales revenue. The volume and value of returns are not material for the business conducted by the Group.*Remuneration of the principal and remuneration of the intermediary*

In the event that any other entity is involved in the delivery of goods or services to the customer, the Group determines whether the nature of the Group's promise is that of a performance obligation (in which case the Group is the principal) or that of ordering another entity to deliver such goods or services (in which case the Group is the intermediary).

The Group is the principal if it exercises control over the promised good or service before it is delivered to the customer. However, the Group does not have to act as the principal if it obtains the legal title to the product only temporarily before it is delivered to the customer. The Group acting in the contract as the principal may itself fulfill the performance obligation or may entrust the fulfillment of this obligation in full or in part to another entity (e.g. a subcontractor) on its behalf. In such a situation, the Group recognizes revenue in the gross amount of the remuneration to which, as the Group expects, it is entitled in return for the delivered goods or services.

The Group acts as the intermediary if its performance obligation consists of ensuring the delivery of goods or services by another entity. In such a case, the Group recognizes revenue in the amount of any fee or commission to which, as the Group expects, it is entitled in return for ensuring the delivery of the goods or services by such other entity. The Group acts as the intermediary in the sale of press and mobile phone top-ups.

Contract liabilities

Within the category of contract liabilities, the Group recognizes remuneration received from or payable by a customer, which is related to the obligation to deliver certain goods or services to the customer.

9.19.2. Interest

Interest income is recognized gradually as it accrues (taking into account the effective interest rate method which serves as the discounting rate for future financial inflows during the estimated lifetime of financial instruments) in relation to the net book value of a particular financial asset. The interest on bank deposits, on bank accounts that is financial income is recognized in investing activity in the consolidated statement of cash flows. The interest on loans, bonds and leases that is a financial cost is recognized in financing activity in the consolidated statement of cash flows.

9.19.3. Dividends

Dividends are recognized when the shareholder's right to receive payment is established.

9.20. Taxes

9.20.1. Current tax

Current tax liabilities and assets for the current and prior periods are measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted as at the reporting date.

9.20.2. Deferred tax

For the purposes of financial reporting, deferred tax is calculated by using the method of balance sheet liabilities in relation to all temporary differences between the book value and the tax value of assets and liabilities shown in the statement of financial position and tax losses and investment tax relief.

The deferred tax asset is not recognized at the time of the initial recognition of an asset or liability in a transaction which is not a business combination, and, at the time of the transaction, does not affect profit or gross loss, or taxable income or tax loss, and does not trigger the emergence of identical positive or negative temporary differences.

The book value of a deferred tax asset is reviewed at each reporting date and is subject to appropriate reduction to the extent it is no longer probable that taxable income sufficient for a partial or full realization of this deferred tax asset would be generated. The unrecognized portion of the deferred tax asset is subject to reassessment at each reporting date and is recognized up to the amount reflecting the probability of generating future taxable income which will allow the asset to be recovered.

Deferred tax assets and deferred tax liabilities are measured using tax rates that are expected to be applied when the asset is realized or the liability is settled, taking as the basis the tax rates (and tax laws) in effect as at the reporting date or the tax rates (and tax laws) whose future application is certain as at the reporting date.

Income tax relating to items which are not recognized in profit or loss is not recognized in profit or loss but under other comprehensive income (income tax relating to items recognized in other comprehensive income) or directly in equity (income tax relating to items recognized directly in equity).

The Group offsets deferred tax assets and deferred tax liabilities if, and only if it has a legally enforceable right to set off the current tax receivables and liabilities and the deferred tax relates to the same taxpayer and the same fiscal authority.

9.20.3. Value added tax

Revenues, costs, assets and liabilities are recognized net of the amount of value added tax, except when:

- the value added tax paid on purchase of assets or services is not recoverable from the fiscal authorities, in which case it is recognized as part of the purchase price of the asset or as part of the cost item, as applicable, or

- receivables and liabilities are recognized inclusive of the value added tax.

The net amount of value added tax recoverable from, or payable to, the fiscal authority is shown as part of receivables or liabilities in the consolidated statement of financial position.

9.21. Earnings per share

Earnings per share for each period are calculated by dividing the net profit attributable to common shareholders for a particular period by the weighted average number of common shares in that reporting period.

Diluted earnings per share for each period are calculated by dividing the net profit attributable to common shareholders for a particular period by the weighted average number of common shares in that reporting period, adjusted for the impact exerted by all of the diluting instruments.

10. Operating segments

The Dino Polska S.A. Group presents information pertaining to business segments in accordance with IFRS 8 "Operating Segments". As a result of analyzing the aggregation criteria and the quantitative thresholds following the Group's expansion to include the operations of the acquired company doing business as eZebra, the following operating segments have been distinguished in the Group's consolidated financial statements: core segment encompassing retail network sales and the segment incorporating internet sales and other business. In prior years the entirety of the Group's business was attributed to the operational segment of retail network sales. The Management Board of the parent company has identified the operating segments on the basis of the financial reporting of the Group's member companies.

Taking quantitative criteria into account, only the core segment satisfies the criteria for a reporting segment. Highlights regarding profits and losses in the various periods broken down by operating segments are presented below. With respect to assets and liabilities the Group does not disclose their split into operating segments as it has availed itself of the exemption available under IFRS 8 - since the Group's Management Board (namely the principal body responsible for making operational decisions within the meaning of IFRS 8) does not analyze segmental data while taken into account the split of assets and liabilities. All of the assets are located in Poland.

Year 2024

(in thousands of PLN)	Core segment	All other segments	Consolidation eliminations (intersegment sales)	Total
Sales to third parties	29,084,011	189,781		29,273,792
Other operating income	23,485	700	-	24,185
Operating expenses	(27,207,373)	(182,274)		(27,389,647)
including depreciation and amortization	*408,680*	*499*	-	*409,179*
Segment's profit on operating activity	1,900,123	8,207	-	1,908,330
Financial income	5,243	1,414	-	6,657
including interest	*4,774*	*1,327*	-	*6,101*
Financial expenses	(120,733)	(691)	-	(121,424)
including interest	*(119,774)*	*(561)*	-	*(120,335)*
Profit before tax	1,784,633	8,930	-	1,793,563
Income tax	(286,656)	(1,178)	-	(287,834)
Net profit	1,497,977	7,752	-	1,505,729
EBITDA	2,308,803	8,706	-	2,317,509
Capital expenditures	1,863,322	188	-	1,863,510

*Note 33

Year 2023

(in thousands of PLN)	Core segment	All other segments	Consolidation eliminations (intersegment sales)	Total

Sales to external clients	25,623,426	42,829	-	25,666,255
Other operating income	13,453	24	-	13,477
Operating expenses	(23,764,464)	(39,413)	-	(23,803,877)
including depreciation and amortization	*356,731*	*97*	-	*356,828*
Segment’s profit on operating activity	1,872,415	3,440	-	1,875,855
Financial income	9,882	560	-	10,442
including interest	*8,446*	*560*	-	*9,006*
Financial expenses	(146,800)	(516)	-	(147,316)
including interest	*(146,834)*	-	-	*(146,834)*
Profit before tax	1,735,497	3,484	-	1,738,981
Income tax	(334,270)	616	-	(333,654)
Net profit	1,401,227	4,100	-	1,405,327
EBITDA	2,229,146	3,537	-	2,232,683
Capital expenditures	1,166,279	488	-	19,448

*Note 33

11. Sales revenue

The Group’s main line of business entails the retail sales of goods in a diverse product range (mainly food and beverages) and groceries (culinary meat products). The sales revenue is recognized at the time of transferring the promised good to the client, which in practice is tantamount to the moment of paying for those goods. Sales of goods in own and leased shops directly to individual (retail) customers represented approximately 99% of the Group's revenues. Since the Company’s customers are homogenous and there is no separation into categories reflecting the manner in which economic factors affect the nature, amount, term of payment and uncertainty of income and cash flow. The detailed policy pertaining to revenue on contracts with clients is described in note 9.19.

(in thousands of PLN)	***01.01.2024-31.12.2024***	***01.01.2023-31.12.2023***
Rental income	25,301	17,908
Revenue on sales of products and services	3,409,528	3,041,895
Revenue on sales of goods and materials	25,838,963	22,606,452
Total	**29,273,792**	**25,666,255**

Revenue on sales of meat products produced within the Group is presented as revenue on sales of products, while revenue on retail sales of goods purchased for further resale is presented as revenue on sales of goods. The Group does not have customers whose sales would amount to more than 10% of the total value of sales. In principle, the Group generated all of its sales revenue in Poland.

12. Revenues and costs

12.1. Costs by nature:

(in thousands of PLN)	***01.01.2024-31.12.2024***	***01.01.2023-31.12.2023***
Depreciation and amortization	409,179	356,828
Consumption of materials and energy	2,506,766	2,445,930
External services	916,451	709,976
Taxes and fees	539,830	461,675
Costs of employee benefits	3,575,542	2,784,726
Other costs by nature	128,020	111,988
Cost of goods and materials sold	19,306,467	16,926,567
Total costs by nature, including:	**27,382,255**	**23,797,690**
Items captured in cost of sales	22,463,233	19,741,459
Items captured in sales and marketing expenses	4,678,717	3,878,421
Items captured in general administration expenses	233,653	173,736
Movement in products	6,652	4,074

12.2. Depreciation and amortization costs recognized in profit or loss

(in thousands of PLN)	***01.01.2024-31.12.2024***	***01.01.2023-31.12.2023***
Items captured in cost of sales:	*45,263*	*38,974*
Depreciation of fixed assets	45,263	33,856
Depreciation and amortization of right-of-use assets	-	5,118
Items captured in sales and marketing expenses:	*355,781*	*311,476*
Depreciation of fixed assets	334,309	289,192
Depreciation and amortization of right-of-use assets	20,135	18,264
Amortization of intangible assets	1,337	4,020
Items captured in general administration expenses:	*8,135*	*6,378*
Depreciation of fixed assets	4,220	4,014
Amortization of intangible assets	3,915	2,364

12.3. Costs of employee benefits

(in thousands of PLN)	***01.01.2024-31.12.2024***	***01.01.2023-31.12.2023***
Employee benefits	2,873,192	2,219,335
Unused holiday leave	25,413	41,520
Costs of retirement and disability benefits	4,476	5,589
Social security contributions	660,464	510,531
Costs of contributions to EPS	11,997	7,751
Total employee benefits, including:	**3,575,542**	**2,784,726**
Items captured in cost of sales	124,188	87,186
Items captured in sales and marketing expenses	3,306,562	2,589,469
Items captured in general administration expenses	144,792	108,071

12.4. Other operating income

(in thousands of PLN)	***01.01.2024-31.12.2024***	***01.01.2023-31.12.2023***
Impairment loss for expected credit losses	436	86
Grants	1,802	1,000
Damages	6,530	1,675
Revenue related to the service of payment cards	5,568	5,289
Recognized overpayments	1,745	1,431
Rounding	578	478
Other	7,526	3,518
Total other operating income	**24,185**	**13,477**

12.5. Other operating expenses

(in thousands of PLN)	***01.01.2024-31.12.2024***	***01.01.2023-31.12.2023***
Impairment loss for expected credit losses	1,452	586
Sale and decommissioning of property, plant and equipment	10,372	6,531
Donations	453	1,002
Other (including debit notes)	1,767	2,142
Total other operating expenses	**14,044**	**10,261**

12.6. Financial income

(in thousands of PLN)	***01.01.2024-31.12.2024***	***01.01.2023-31.12.2023***
Interest income from banks	4,508	8,890
Interest income on receivables	1,315	-
Interest income on loans	278	116
Net foreign exchange gains	470	1,433
Other	86	3
Total financial income	**6,657**	**10,442**

12.7. Financial expenses

(in thousands of PLN)	***01.01.2024-31.12.2024***	***01.01.2023-31.12.2023***
Interest on bank loans	61,073	79,749
Interest on trade payables	29,836	19,600
Interest on other payables	560	431
Interest on bonds	26,129	44,976
Interest on lease liabilities	2,737	2,078
Commissions	1,018	482
Other	71	-
Total financial expenses	**121,424**	**147,316**

13. Income tax

13.1. Tax expense

The key tax expense items for the year ended 31 December 2024 and 31 December 2023 are as follows:

(in thousands of PLN)	***01.01.2024-31.12.2024***	***01.01.2023-31.12.2023***
Recognized in profit or loss		
Current income tax		
Current income tax expense	(296,687	(348,438)
Deferred tax		
Related to occurrence and reversal of temporary differences	8,853	14,784
Tax expense recognized in consolidated profit or loss	**(287,834)**	**(333,654)**
Consolidated statement of comprehensive income		
Deferred tax		
Tax on actuarial gains/losses	517	891
Tax credit/(tax expense) recognized in other comprehensive income	**517**	**891**

13.2. Reconciliation of effective tax rate

The reconciliation of income tax on profit (loss) before tax at the statutory tax rate with income tax calculated at the Group's effective tax rate for the years ended 31 December 2024 and 31 December 2023 is as follows:

(in thousands of PLN)	***01.01.2024-31.12.2024***	***01.01.2023-31.12.2023***
Profit before tax	1,793,563	1,738,981
Tax at the statutory tax rate in Poland at 19% (in the comparative period: 19%)	(340,777)	(330,406)
Investment allowance for operating in a special economic zone and the asset recognized in the current period by virtue thereof	52,980	(2,700)
Income and expense items that are never taxable or deductible	(37)	(548)
Income tax (expense) recognized in consolidated profit or loss	(287,834)	(333,654)

13.3. Deferred tax

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

(in thousands of PLN)	*Consolidated statement of financial position*		*Consolidated statement of profit or loss and other comprehensive income for the year ended*	
	31.12.2024	***31.12.2023***	***31.12.2024***	***31.12.2023***
Temporary difference in the value of non-current assets	83,247	70,397	12,850	12,073
Accrued interest on loans	8,066	8,747	(681)	2,545
Temporary difference of trade payables	89,929	21,708	68,221	(17,087)
Other	79	75	4	28
Offset	(150,985)	(94,047)	(56,938)	1,621
Deferred tax liability	**30,336**	**6,880**		
Difference in measurement of inventories	101,508	74,847	26,661	21,912
Provisions for retirement severance benefits	3,196	2,203	993	1,013
Provision for unused holiday leave	28,937	22,719	6,218	7,620
Provision for other liabilities	6,869	5,760	1,109	(1,3827)
Accrued interest on the reporting date	9,683	10,762	(1,079)	1,408

(in thousands of PLN)

Temporary difference in the value of non-current assets	13,363	11,039	2,324	1,917
Allowance on the amount of eligible capital expenditures for business in a Special Economic Zone	61,578	8,040	53,538	(6,809)
Offset	(150,985)	(94,047)	(56,938)	1,621
Deferred tax assets	**74,149**	**41,323**		
Deferred tax expense			**9,370**	**15,675**

Pursuant to permit no. 204 of 29 October 2010 issued by Wałbrzyska Specjalna Strefa Ekonomiczna "INVEST-PARK" sp. z ograniczoną odpowiedzialnością as the administrator of the Wałbrzych Special Economic Zone, Dino Krotoszyn sp. z o.o. is covered by an exemption from corporate income tax applicable to the company's business referred to in these permits. The condition for benefiting from this relief is satisfying quantitative conditions, i.e. incurring qualified costs of at least PLN 19 million by 31 December 2012.

Pursuant to permit no. 157/LSSE of 5 July 2017 issued by Legnicka Specjalna Strefa Ekonomiczn S.A. [Legnica Special Economic Zone], Dino Południe sp. z o.o. is covered by an exemption from corporate income tax applicable to the company's business referred to in this permit. The condition for benefiting from this relief is satisfying quantitative conditions, i.e. incurring qualified costs of at least PLN 60 million by 31 December 2020.

Pursuant to permit no. DOW-30/2021 of 19 November 2021 and permit no. 46/2021 of 17 December 2021 issued by the Słupsk Special Economic Zone, the company doing business as Agro – Rydzyna sp. z o.o. will benefit from an exemption from the corporate income tax applicable to the business referred to in this permit. The condition for benefiting from this relief is satisfying quantitative conditions, i.e. incurring qualified costs of at least PLN 100 million by 31 December 2025 and PLN 80 million by 31 December 2024 and satisfying the qualitative conditions prescribed by the permit.

Pursuant to support decision no. 34/ARP/OML/2019 issued by the EURO-PARK Mielec Special Economic Zone, the company doing business as JTG Polska sp. z o.o. will benefit from an exemption from corporate income tax applicable to the business covered by the exemption. The condition for benefiting from this relief is satisfying quantitative conditions, i.e. incurring qualified costs of at least PLN 6.8 million by 30 April 2022 and satisfying the qualitative conditions prescribed by the permit.

The said exemptions are contingent in nature. The use of an exemption covering a business conducted in a Special Economic Zone may be the subject matter of an inspection by competent authorities. If the inspection reveals that the company fails or will fail in the future to satisfy all pertinent requirements, it may have the exemptions withdrawn and be required to pay overdue tax liabilities with interest. The provisions of the Special Economic Zones Act stipulate that the right to an exemption may be revoked if any of the following circumstances occurs:

– the company ceases to conduct its business within the area of the zone in respect of which the permit was issued,

– the company grossly fails to satisfy the conditions set forth in the permit,

– the company fails to remove any deficiencies ascertained during the inspection by the time limit for their removal specified in the summons issued by the minister in charge of the economy,

– the company transfers in any form the ownership of the assets to which the tax exemption applied within a period of less than 5 years from the date of their entry in the accounting records,

– any machinery or equipment is apportioned to conduct any business outside the zone,

– the company receives a refund of the incurred capital expenditures in any form,

– the company is put under liquidation or is declared bankrupt

The occurrence of these circumstances may cause that the amounts carried in the financial statements may be subject to change at a later date after they are ultimately determined by the tax authorities.

14. Property, plant and equipment

Year ended 31 December 2024

(in thousands of PLN)	*Land and buildings*	*Machinery and equipment*	*Means of transport*	*Other fixed assets*	*Fixed assets under construction*	*Advances towards fixed assets*	*Total*
Gross value as at 1 January 2024	**5,648,799**	**1,298,959**	**226,111**	**721,257**	**414,779**	**10,462**	**8,320,367**
Purchases	-	-	-	-	1,738,184	3,216	1,741,400
Sales and liquidation	(10,399)	(10,006)	(1,596)	(11,281)	(6,306)	-	(39,588)
Purchase of leased fixed assets	161	-	2,432	-	-	-	2,593
Acquisition of subsidiaries	17,985	17	-	523	-	-	18,525
Transfer from fixed assets under construction	1,092,237	346,597	77	195,700	(1,632,067)	(2,544)	-
Gross value as at 31 December 2024	**6,748,783**	**1,635,567**	**227,024**	**906,199**	**514,590**	**11,134**	**10,043,297**
Accumulated depreciation as at 1 January 2024	**493,311**	**514,180**	**84,058**	**354,146**	**-**	**-**	**1,445,695**
Depreciation and amortization	125,291	143,049	20,722	94,730	-	-	383,792
Sales and liquidation	(481)	(7,818)	(1,485)	(8,233)	-	-	(18,017)
Purchase of leased fixed assets	-	-	912	-	-	-	912
Accumulated depreciation as at 31 December 2024	**618,121**	**649,411**	**104,207**	**440,643**	**-**	**-**	**1,812,382**
Net value as at 1 January 2024	**5,155,488**	**784,779**	**142,053**	**367,111**	**414,779**	**10,462**	**6,874,672**
Net value as at 31 December 2024	**6,130,662**	**986,156**	**122,817**	**465,556**	**514,590**	**11,134**	**8,230,915**

Year ended 31 December 2023

(in thousands of PLN)	*Land and buildings*	*Machinery and equipment*	*Means of transport*	*Other fixed assets*	*Fixed assets under construction*	*Advances towards fixed assets*	*Total*
Gross value as at 1 January 2023	**4,869,813**	**1,055,414**	**202,501**	**578,394**	**473,759**	**5,643**	**7,185,524**
Purchases	-	-	-	-	1,124,735	6,222	1,130,957
Sales and liquidation	(2,044)	(11,280)	(592)	(4,023)	(4,907)	-	(22,846)
Purchase of leased fixed assets	1,277	13,046	12,247	162	-	-	26,732
Transfer from fixed assets under construction	779,753	241,779	11,955	146,724	(1,178,808)	(1,403)	-
Gross value as at 31 December 2023	**5,648,799**	**1,298,959**	**226,111**	**721,257**	**414,779**	**10,462**	**8,320,367**
Accumulated depreciation as at 1 January 2023	**386,760**	**394,008**	**60,356**	**274,368**	**-**	**-**	**1,115,492**
Depreciation and amortization	106,943	117,552	19,491	83,076	-	-	327,062
Sales and liquidation	(392)	(9,626)	(554)	(3,413)	-	-	(13,985)
Purchase of leased fixed assets	-	12,246	4,765	115	-	-	17,126
Accumulated depreciation as at 31 December 2023	**493,311**	**514,180**	**84,058**	**354,146**	**-**	**-**	**1,445,695**
Net value as at 1 January 2023	**4,483,053**	**661,406**	**142,145**	**304,026**	**473,759**	**5,643**	**6,070,032**
Net value as at 31 December 2023	**5,155,488**	**784,779**	**142,053**	**367,111**	**414,779**	**10,462**	**6,874,672**

The Group intends to incur in 2025 capital expenditures totaling roughly PLN 1.7-1.8 billion to continue expanding its store network and warehouse space. The bank loan agreements entered into by the Group required the establishment of collateral on selected pieces of real estate (note 24).

15. Leases

The subject matter of the executed lease agreements is predominantly the perpetual usufruct right to land, store lease, equipment used in the stores and warehouses and passenger cars, refrigerated trailers and forklifts.

The term of lease to lease stores for an unspecified period has been determined as the average term of validity of agreements for a fixed period, i.e. 116 months since, according to the Group's judgment, there are material penalties economically dissuading both parties from terminating these contracts, while the term of 116 months reflects the highly probable average term of validity of a contract. The term of lease for the right of perpetual usufruct to land and lease agreements has been determined as the period for which the right is granted. The foregoing periods are subject to re-assessment in the event the lessee evaluates whether one may with reasonable assurance assume that it will avail itself of the lease extension option.

The Group's lease liabilities under executed lease agreements are secured by the lessor's title of ownership to the various leased objects.

The book values of right-of-use assets and their changes in the reporting period are presented below:

Year ended 31 December 2024

(in thousands of PLN)	*Perpetual usufruct right to land***	*Buildings and units*	*Machinery and equipment*	*Cars*	*Other fixed assets*	*Total*
As at 1 January 2024	**50,478**	**36,882**	**-**	**6,139**	**-**	**93,499**
Increases (new leases)	21,893	11,511	-	10,021	-	43,425
Modification**	-	26,242	-	-	-	26,242
Purchase of leased fixed assets	(161)	-	-	(1,520)	-	(1,681)
Depreciation and amortization	(212)	(14,807)	-	(5,116)	-	(20,135)
As at 31 December 2024	**71,998**	**59,828**	**-**	**9,524**	**-**	**141,350**

Year ended 31 December 2023

(in thousands of PLN)	*Perpetual usufruct right to land***	*Buildings and units*	*Machinery and equipment*	*Cars*	*Other fixed assets*	*Total*
As at 1 January 2023	**50,492**	**33,619**	**5,489**	**15,469**	**47**	**105,116**
Increases (new leases)	1,476	2,923	-	4,708	-	9,107
Modification**	-	12,264	-	-	-	12,264
Purchase of leased fixed assets	(1,277)	-	(800)	(7,482)	(47)	(9,606)
Depreciation and amortization	(213)	(11,924)	(4,689)	(6,556)	-	(23,382)
As at 31 December 2023	**50,478**	**36,882**	**-**	**6,139**	**-**	**93,499**

** Perpetual usufruct right to land.*
*** The modification covers a change in value due to changing the lease contract term, lease payments*

The book values of lease liabilities and their changes in the reporting period are presented below:

(in thousands of PLN)	***2024***	***2023***
As at 1 January	**50,177**	**52,566**
Increases (new leases)	43,425	9,107
Modification	26,242	12,264
Interest	2,737	2,078
Payments	(43,863)	(25,838)
As at 31 December	**78,718**	**50,177**
Current	17,900	14,565
Non-current	60,818	35,612

Analysis of the due and payable characteristics of lease liabilities is presented in Note 31.3 Liquidity risk.

Revenue, expense and profit and loss items resulting from leases captured in the consolidated statement of profit or loss have been presented below:

(in thousands of PLN)	***2024***	***2023***
The cost of depreciation and amortization of right-of-use assets	20,135	23,382
Costs of interest under lease liabilities	2,737	2,078
Costs of current and low value leases	29,780	12,212
Floating lease payments not recognized in the measurement of lease liabilities	21,291	23,212
The total amount recognized in the consolidated statement of profit or loss	**73,943**	**60,884**

The total outflow of cash on account of lease agreements in 2024 was PLN 97,669 thousand (in 2023: PLN 63,339 thousand).

16. Intangible assets

Year ended 31 December 2024

(in thousands of PLN)	*Goodwill*	*Trademarks*	*Other intangible assets*	*Total intangible assets*
Gross value as at 1 January 2024	**64,989**	**17,025**	**72,747**	**154,761**
Purchases	-	-	15,337	15,337
Acquisition of subsidiaries	8,472	36,141	210	44,823
Liquidations	-	-	-	-
Gross value as at 31 December 2024	**73,461**	**53,166**	**88,294**	**214,921**
Depreciation and impairment losses as at 1 January 2024	-	-	**39,705**	**39,705**
Depreciation and amortization	-	-	5,252	5,252
Liquidations	-	-	-	
Depreciation and impairment losses as at 31 December 2024	-	-	**44,957**	**44,957**
Net value as at 1 January 2024	**64,989**	**17,025**	**33,042**	**115,056**
Net value as at 31 December 2024	**73,461**	**53,166**	**43,337**	**169,964**

Year ended 31 December 2023

(in thousands of PLN)	*Goodwill*	*Trademarks*	*Other intangible assets*	*Total intangible assets*
Gross value as at 1 January 2023	**64,989**	**17,025**	**46,044**	**128,058**
Purchases	-	-	26,703	26,703
Liquidations	-	-	-	-
Gross value as at 31 December 2023	**64,989**	**17,025**	**72,747**	**154,761**
Depreciation and impairment losses as at 1 January 2023	-	-	**33,321**	**33,321**
Depreciation and amortization	-	-	6,384	6,384
Liquidations	-	-	-	-
Depreciation and impairment losses as at 31 December 2023	-	-	**39,705**	**39,705**
Net value as at 1 January 2023	**64,989**	**17,025**	**12,723**	**94,737**
Net value as at 31 December 2023	**64,989**	**17,025**	**33,042**	**115,056**

Other intangible assets consist of acquired licenses and software depreciated in accordance with the rules adopted by the Group.

The Group considers the trademarks of "DINO", "Agro-Rydzyna" and "eZebra" to be recognizable trademarks on the market and intends to use them in its operations during an indefinite period of time. Accordingly, the Group assumes that the useful life of these trademarks is indefinite and hence that they are not subject to depreciation.

According to the Management Board, the goodwill under the acquisition of Agro Rydzyna sp. z o.o. and the value of the trademarks „DINO", „Agro – Rydzyna" have been allocated to the core business segment consisting of cash generating units ("CGU") such as stores and corporate assets such as distribution centers and other back offices. The goodwill ensuing from the acquisition of eZebra.pl sp. z o.o. and the eZebra trademark are allocated to CGU as part of internet sales. Based on this assumption, a test was performed for impairment of intangible assets and goodwill in compliance with the requirements arising from IAS 36.

The recoverable amount of the CGU core business group and of the internet sales CGU was calculated by applying the useful value computed on the basis of cash flow projections derived from the financial budgets covering a period of five years, as approved by senior management.

As part of the impairment tests, the recoverable amounts were compared to their book values.

The tests demonstrated that as at 31 December 2024 and 31 December 2023 there was no impairment in respect of goodwill or the trademarks. Moreover, there were no reasons for impairment in the various CGUs.

Key assumptions applied to the calculation of the recoverable amount

- the center's recoverable amount was calculated by applying the useful value computed on the basis of cash flow projections derived from the financial budgets covering a period of five years, as approved by senior management,
- the operating profit margin is based on the average values generated in the most recent period and the Group's Strategy adopted for 2025-2028; the adopted average operating profit margin in the forecast period is 6% (in 2023: 7%);
- the rate of growth in the residual period was assumed at 2.5% (in 2023: 2.5%),
- a WACC discount rate before tax of 9.96% (in 2023: 9.88%) was applied to the cash flow forecasts.

Sensitivity to changes in assumptions

The management is convinced that no reasonably possible change to any of the key assumptions described above will result in the book value of the pertinent center to be equal to its recoverable amount.

17. Other non-financial assets

(in thousands of PLN)	***31.12.2024***	***31.12.2023***
Fiscal receivables (including VAT, net of CIT)	82,175	58,610
Other receivables	6,011	5,439
Total	**88,186**	**64,049**

18. Inventories

(in thousands of PLN)	***31.12.2024***	***31.12.2023***
Materials	46,595	42,333
Semi-finished goods and production in progress	62,714	60,855
Finished products	32,051	25,399
Merchandise	2,996,505	2,568,898
Total inventories at purchase price	**3,137,865**	**2,697,485**
Impairments for inventories	(56,421)	(58,626)
Total inventories at net value	**3,081,444**	**2,638,859**

19. Trade and other receivables

(in thousands of PLN)	***31.12.2024***	***31.12.2023***
Trade receivables from third parties	261,208	157,656
Trade receivables from related parties	492	684
Other receivables from third parties	114,780	172,047
Other receivables from related parties	-	2
Total receivables (net)	**376,480**	**330,389**
Impairment loss for expected credit losses	(2,416)	(1,483)
Gross receivables	**378,896**	**331,872**

Other receivables comprise mainly investment receivables on payment cards. Settlement is made by the settlement agent within 2-3 days. Trade receivables usually have a 14-day term of payment and mainly include receivables from suppliers related to benefits under executed contracts that entail rebates and discounts driven by the volume of purchases and promotional and marketing activity.

As at 31 December 2024, trade and other receivables of PLN 2,416 thousand (PLN 1,483 thousand as at 31 December 2023) were subject to an impairment loss for expected credit losses. The changes to the impairment loss for expected credit losses were as follows:

(in thousands of PLN)	***31.12.2024***	***31.12.2023***
Impairment loss for expected credit losses as at 1 January	**1,483**	**1,600**
Increase	1,452	586
Utilization	(83)	(617)
Reversal	(436)	(86)
Impairment loss for expected credit losses as at 31 December	**2,416**	**1,483**

20. Cash

Cash at bank bears interest at variable interest rates depending on the rate of interest on one-day bank deposits. Short-term deposits are made for various periods of between one day and one month, depending on the Group's current need for cash, and bear interest at the interest rates set for them.
The balance of cash shown in the consolidated statement of cash flows included the following items:

(in thousands of PLN)	***31.12.2024***	***31.12.2023***
Cash at bank and in hand	345,442	149,213
Cash en route	72,496	35,508
Short-term deposits	473,084	33,668
Total	**891,022**	**218,389**

The cash on VAT accounts is restricted cash. As at 31 December 2024 the amount of this cash was PLN 1,042 thousand (PLN 368 thousand in 2023).

21. Share capital

21.1. Share capital

	31.12.2024	***31.12.2023***
Ordinary series A shares (units)	98,040,000	98,040,000

(in thousands of PLN)

21.1.1. Nominal value of shares

All of the outstanding shares have a nominal value of PLN 0.10 and as at 31 December 2024 and 31 December 2023 were paid up in full.

21.1.2. Major shareholders

31 December 2024

Shareholder	*Number of shares*	*Percentage of share capital*	*Percentage of votes at the Shareholder Meeting*
Tomasz Biernacki* with the subsidiary BT Kapitał sp. z o.o.	50,160,000	51.2%	51.2%
Other shareholders	47,880,000	48.8%	48.8%
Total	**98,040,000**	**100.0%**	**100.0%**

*Actual beneficiary exercising control

31 December 2023

Shareholder	*Number of shares*	*Percentage of share capital*	*Percentage of votes at the Shareholder Meeting*
Tomasz Biernacki* with the subsidiary BT Kapitał sp. z o.o.	50,160,000	51.2%	51.2%
Other shareholders	47,880,000	48.8%	48.8%
Total	**98,040,000**	**100.0%**	**100.0%**

*Actual beneficiary exercising control

22. Supplementary capital and retained earnings

Supplementary capital was created from profits generated by all member companies of the Group in previous financial years. In the year ended 31 December 2024, supplementary capital increased by PLN 1,406,764 thousand forming the distribution of profits generated by the companies belonging to the Group. In the year ended 31 December 2023, supplementary capital increased by PLN 1,140,126 thousand forming the distribution of profits generated by the companies belonging to the Group.

22.1. Retained earnings and restrictions on dividend distributions

The Group's retained earnings comprise undistributed profits of the Group's member companies. Under the retained earnings heading, the Group also recognizes effects of consolidation adjustments on capital. This type of capital also includes amounts that are not distributable, meaning that they are not permitted to be disbursed as dividends.

The statutory standalone financial statements of Dino Polska S.A. have been prepared in compliance with Polish accounting standards. Any dividend may be distributed based on the profit disclosed in the standalone annual financial statements prepared for statutory purposes.

In compliance with the requirements of the Commercial Company Code, the parent company is required to create supplementary capital to cover future losses. The use of supplementary capital or reserve capital is at the discretion of the Shareholder Meeting, albeit part of the supplementary capital equal to one-third of the share capital may be used only to cover the loss disclosed in the parent company's standalone financial statements and may not be used for any other purposes.

Some of the Group Companies are parties to loan agreements which entail certain restrictions on the disbursement of dividends, meaning that no dividend disbursements are permitted if this would trigger a breach of financial ratios (note 24).

22.2. Dividends distributed and proposed for distribution

In the period from 1 January 2024 to 31 December 2024 and in the comparable period, neither the parent company nor the subsidiaries distributed any dividends. The consolidated financial statements were prepared prior to the adoption of the resolution to distribute profit for the current year. The Company's Management Board will propose to allocate the profit for the year to the Company's supplementary capital.

23. Earnings per share

Basic earnings per share shall be calculated by dividing consolidated net profit for the period attributable to ordinary owners of the parent by the weighted average number of ordinary shares outstanding during the period. The Group does not have any diluting instruments in place.

(in thousands of PLN)	***01.01.2024-31.12.2024***	***01.01.2023-31.12.2023***
Net profit attributable to owners of the parent	1,504,980	1,405,327
Number of shares used for the calculation (000s)	98,040	98,040
Underlying earnings per share	15.35	14.33
Diluted earnings per share	15.35	14.33

24. Bank loans, bonds

(in thousands of PLN)	***31.12.2024***	***31.12.2023***
Current account overdrafts	-	15,764
Investment loans	361,034	262,824
Bonds	204,845	4,784
Current	**565,879**	**283,372**
Investment loans	272,219	469,629
Bonds	170,000	370,000
Non-current	**442,219**	**839,629**

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

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

On 12 October 2021, the Company's Management Board adopted a resolution to issue 200,000 series 1/2021 secured bearer bonds with a nominal value of PLN 1,000 each and a total nominal value of PLN 200,000,000 ("Bonds"), which the Company reported in current report no. 19/2017. The bonds are secured under sureties provided by selected Dino Polska Group companies. The issue price of the Bonds is equal to their par value. The bonds were offered for purchase pursuant to art. 33 item 1 of the Bond Act of 15 January 2015 in a manner that does not require the Company to prepare a prospectus or information memorandum. The Bonds bear interest at a floating interest rate of WIBOR 3M plus a fixed margin of 1.2 percentage points per annum. The Bonds were issued on 20 October 2021 and registered in the securities depository run by the National Depository for Securities (KDPW S.A.). The redemption date of the Bonds was set for 20 October 2025.

On 5 October 2023 the Company redeemed series 1/2020 bonds worth a total of PLN 250 million.

(in thousands of PLN)

No.	***Type of liability***	***Date agreement signed***	***Outstanding liability as at 31 December 2024*** **(thousands of PLN)**	***Interest rate***	***Date of repayment***	***Collateral type***	**Current**	**Non-current**	**Type of loan**
1	Credit facility BANK 1	2012-01-26	-	WIBOR + margin	2025-10-31	joint contractual mortgage, assignment of rights to an insurance policy	-	-	KRB
2	Credit facility BANK 1	2016-10-25	7,058	WIBOR + margin	2025-10-24	joint contractual mortgage, assignment of rights to an insurance policy	7,058	-	investment
3	Credit facility BANK 1	2019-02-11	18,823	WIBOR + margin	2026-08-11	joint contractual mortgage, assignment of rights to an insurance policy	11,294	7,529	investment
4	Credit facility BANK 1	2021-12-14	80,750	WIBOR + margin	2025-07-02	joint contractual mortgage, assignment of rights to an insurance policy	80,750	-	investment
5	Credit facility BANK 2	2022-06-23	15,248	WIBOR + margin	2026-06-23	joint contractual mortgage, assignment of rights to an insurance policy	10,165	5,083	investment
6	Credit facility BANK 3	2015-04-17	640	WIBOR + margin	2025-03-31	joint contractual mortgage, assignment of rights to an insurance policy	640	-	investment
7	Credit facility BANK 3	2021-03-12	-	WIBOR + margin	2027-02-05	joint contractual mortgage, assignment of rights to an insurance policy	-	-	KRB
8	Credit facility BANK 4	2014-04-15	-	WIBOR + margin	2025-06-30	joint contractual mortgage, assignment of rights to an insurance policy	-	-	KRB
9	Credit facility BANK 4	2018-07-03	14,583	WIBOR + margin	2026-07-02	joint contractual mortgage, assignment of rights to an insurance policy	8,333	6,250	investment
10	Credit facility BANK 4	2020-08-24	22,000	WIBOR + margin	2027-08-23	joint contractual mortgage, assignment of rights to an insurance policy	8,000	14,000	investment
11	Credit facility BANK 4	2022-06-21	75,000	WIBOR + margin	2030-03-31	joint contractual mortgage, assignment of rights to an insurance policy	14,286	60,714	investment
12	Credit facility BANK 5	2020-04-03	17,833	WIBOR + margin	2025-04-02	joint contractual mortgage, assignment of rights to an insurance policy	17,833	-	investment
13	Credit facility BANK 5	2021-02-11	-	WIBOR + margin	2025-02-08	joint contractual mortgage, assignment of rights to an insurance policy	-	-	KRB
14	Credit facility BANK 5	2022-07-05	51,667	WIBOR + margin	2027-07-04	joint contractual mortgage, assignment of rights to an insurance policy	20,000	31,667	investment
15	Credit facility BANK 6	2017-03-20	-	WIBOR + margin	2026-03-27	joint contractual mortgage, assignment of rights to an insurance policy	-	-	KRB
16	Credit facility BANK 6	2017-03-20	11,429	WIBOR + margin	2025-12-31	joint contractual mortgage, assignment of rights to an insurance policy	11,429	-	investment
17	Credit facility BANK 6	2019-09-04	8,852	WIBOR + margin	2025-09-04	joint contractual mortgage, assignment of rights to an insurance policy	8,852	-	investment
18	Credit facility BANK 6	2021-09-21	15,272	WIBOR + margin	2026-09-21	joint contractual mortgage, assignment of rights to an insurance policy	8,727	6,545	investment
19	Credit facility BANK 6	2022-12-12	29,052	WIBOR + margin	2027-12-13	joint contractual mortgage, assignment of rights to an insurance policy	9,684	19,368	investment

(in thousands of PLN)

20	Credit facility BANK 6	2023-03-09	76,470	WIBOR + margin	2028-03-09	joint contractual mortgage, assignment of rights to an insurance policy	23,529	52,941	investment
21	Credit facility BANK 6	2018-11-13	-	WIBOR + margin	2026-03-27	joint contractual mortgage, assignment of rights to an insurance policy	-	-	KRB
22	Credit facility BANK 1	2021-12-14	43,225	WIBOR + margin	2025-07-02	joint contractual mortgage, assignment of rights to an insurance policy	43,225	-	investment
23	Credit facility BANK 1	2024-01-17	79,629	WIBOR + margin	2028-07-17	joint contractual mortgage, assignment of rights to an insurance policy	22,222	57,407	investment
24	Credit facility BANK 1	2019-02-11	15,260	WIBOR + margin	2026-08-11	joint contractual mortgage, assignment of rights to an insurance policy	9,882	5,378	investment
25	Credit facility BANK 1	2021-12-14	43,225	WIBOR + margin	2025-07-02	joint contractual mortgage, assignment of rights to an insurance policy	43,225	-	investment
26	Credit facility	2023-09-14	1,346	EURIBOR + margin	2025-06-30	pledge on inventories, assignment of insurance policy, mortgage, guarantee issued for BGK	1,346	-	working capital
27	Credit facility	2020-11-223	-	WIBOR + margin	2025-06-30	bill of exchange, assignment of insurance policy, pledge on inventories	-	-	KRB
28	Credit facility	2021-03-22	5,487	WIBOR + margin	2030-12-31	mortgage, assignment of insurance policy	797	4,690	investment
29	Credit facility	2021-03-22	960	WIBOR + margin	2030-12-31	mortgage, assignment of insurance policy, guarantee issued for BGK	13	947	investment
		Total	633,809				361,290	272,519	
		Commissions	(556)				(256)	(300)	
		TOTAL	**633,253**				**361,034**	**272,219**	

No.	***Type of liability***	***Date agreement signed***	***Outstanding liability as at 31 December 2023*** **(thousands of PLN)**	***Interest rate***	***Date of repayment***	***Collateral type***	**Current**	**Non-current**	**Type of loan**
1	Credit facility BANK 1	2012-01-26	-	WIBOR + margin	2025-10-31	joint contractual mortgage, assignment of rights to an insurance policy	-	-	KRB
2	Credit facility BANK 1	2016-10-25	6,847	WIBOR + margin	2024-10-24	joint contractual mortgage, assignment of rights to an insurance policy	6,847	-	investment
3	Credit facility BANK 1	2016-10-25	30,000	WIBOR + margin	2025-04-24	joint contractual mortgage, assignment of rights to an insurance policy	22,941	7,059	investment
4	Credit facility BANK 1	2019-02-11	31,059	WIBOR + margin	2026-08-11	joint contractual mortgage, assignment of rights to an insurance policy	12,235	18,824	investment
5	Credit facility BANK 1	2021-12-14	113,900	WIBOR + margin	2025-07-02	joint contractual mortgage, assignment of rights to an insurance policy	33,150	80,750	investment
6	Credit facility BANK 2	2022-06-23	26,261	WIBOR + margin	2026-06-23	joint contractual mortgage, assignment of rights to an insurance policy	11,013	15,248	investment
7	Credit facility BANK 3	2015-04-17	3,205	WIBOR + margin	2025-03-31	joint contractual mortgage, assignment of rights to an insurance policy	2,564	641	investment

(in thousands of PLN)

8	Credit facility BANK 3	2021-03-12	-	WIBOR + margin	2024-02-05	joint contractual mortgage, assignment of rights to an insurance policy	-	-	KRB
9	Credit facility BANK 4	2014-04-15	-	WIBOR + margin	2025-06-30	joint contractual mortgage, assignment of rights to an insurance policy	-	-	KRB
10	Credit facility BANK 4	2018-07-03	22,916	WIBOR + margin	2026-07-02	joint contractual mortgage, assignment of rights to an insurance policy	8,333	14,583	investment
11	Credit facility BANK 4	2016-04-15	1,556	WIBOR + margin	2024-04-14	joint contractual mortgage, assignment of rights to an insurance policy	1,556	-	investment
12	Credit facility BANK 4	2020-08-24	30,000	WIBOR + margin	2027-08-23	joint contractual mortgage, assignment of rights to an insurance policy	8,000	22,000	investment
13	Credit facility BANK 4	2022-06-21	89,286	WIBOR + margin	2030-03-31	joint contractual mortgage, assignment of rights to an insurance policy	14,286	75,000	investment
14	Credit facility BANK 5	2020-04-03	23,308	WIBOR + margin	2025-04-02	joint contractual mortgage, assignment of rights to an insurance policy	5,476	17,832	investment
15	Credit facility BANK 5	2019-08-08	24,900	WIBOR + margin	2024-07-21	joint contractual mortgage, assignment of rights to an insurance policy	24,900	-	investment
16	Credit facility BANK 5	2021-02-11	4,212	WIBOR + margin	2025-02-08	joint contractual mortgage, assignment of rights to an insurance policy	4,212	-	KRB
17	Credit facility BANK 5	2022-07-05	73,334	WIBOR + margin	2027-07-04	joint contractual mortgage, assignment of rights to an insurance policy	21,667	51,667	investment
18	Credit facility BANK 6	2017-03-20	11,552	WIBOR + margin	2024-03-31	joint contractual mortgage, assignment of rights to an insurance policy	11,552	-	KRB
19	Credit facility BANK 6	2017-03-20	22,857	WIBOR + margin	2025-12-31	joint contractual mortgage, assignment of rights to an insurance policy	11,428	11,429	investment
20	Credit facility BANK 6	2019-09-04	20,655	WIBOR + margin	2025-09-04	joint contractual mortgage, assignment of rights to an insurance policy	11,803	8,852	investment
21	Credit facility BANK 6	2021-09-21	24,000	WIBOR + margin	2026-09-21	joint contractual mortgage, assignment of rights to an insurance policy	8,727	15,273	investment
22	Credit facility BANK 6	2022-12-12	38,737	WIBOR + margin	2027-12-13	joint contractual mortgage, assignment of rights to an insurance policy	9,684	29,053	investment
23	Credit facility BANK 6	2018-11-13	-	WIBOR + margin	2024-03-31	joint contractual mortgage, assignment of rights to an insurance policy	-	-	KRB
24	Credit facility BANK 4	2016-04-15	2,248	WIBOR + margin	2024-04-14	joint contractual mortgage, assignment of rights to an insurance policy	2,248	-	investment
25	Credit facility BANK 1	2021-12-14	60,970	WIBOR + margin	2025-07-02	joint contractual mortgage, assignment of rights to an insurance policy	17,745	43,225	investment
26	Credit facility BANK 1	2019-02-11	25,966	WIBOR + margin	2026-08-11	joint contractual mortgage, assignment of rights to an insurance policy	10,706	15,260	investment
27	Credit facility BANK 1	2021-12-14	60,970	WIBOR + margin	2025-07-02	joint contractual mortgage, assignment of rights to an insurance policy	17,745	43,225	investment
		Total	748,739				278,818	469,921	
		Commissions	(522)				(230)	(292)	
		TOTAL	**748,217**				**278,588**	**469,629**	

25. Liabilities for employee benefits

Liabilities for employee benefits encompass liabilities for current calculated unpaid remuneration, provisions for retirement and disability benefits and provisions for unused holiday leave and other employee benefits.

(in thousands of PLN)	***31.12.2024***	***31.12.2023****
Provision for pension and disability benefits	16,824	12,348
Provision for unused holiday leave	152,298	126,885
Liabilities for remuneration	227,595	178,940
Total liabilities for employee benefits	**396,717**	**318,173**
- non-current	14,142	10,900
- current	382,575	307,273

**restated data*

A summary of the pension and disability benefits and reconciliation presenting the changes of the balance during the financial period are presented in the table below:

(in thousands of PLN)	*Retirement and disability benefits*
Opening balance as at 1 January 2024	**12,348**
Current service cost	2,189
Actuarial gains and losses	2,721
Benefits paid	(1,012)
Interest costs	578
Closing balance as at 31 December 2024	**16,824**
Short-term provisions	2,682
Long-term provisions	14,142

(in thousands of PLN)	*Retirement and disability benefits*
Opening balance as at 1 January 2023	**6,759**
Current service cost	1,247
Actuarial gains and losses	4,690
Benefits paid	(760)
Interest costs	412
Closing balance as at 31 December 2023	**12,348**
Short-term provisions	1,448
Long-term provisions	10,900

The main assumptions made to measure the pension and disability benefits as at the reporting date are as follows:

	31.12.2024	***31.12.2023***
Discount rate (%)	5.80%	5.07%
Anticipated salary increase rate	4.50%	4.50%
Weighted average duration of the old-age and disability severance pay liabilities	11.54	12.26

Sensitivity analysis

Change of the adopted discount rate by 0.5 percentage points:

	Increase (thousands of PLN)	*Decrease (thousands of PLN)*
31 December 2024		
Impact on the defined benefit liabilities	(631)	677
31 December 2023		
Impact on the defined benefit liabilities	(513)	553

Change of the salary increase rate by 1.0 percentage point:

	Increase (thousands of PLN)	Decrease (thousands of PLN)
31 December 2024		
Impact on the defined benefit liabilities	1,409	(1,246)
31 December 2023		
Impact on the defined benefit liabilities	1,144	(1,005)

26. Trade payables, other payables

26.1. Trade and other financial payables

(in thousands of PLN)	***31.12.2024***	***31.12.2023****
Liabilities to related entities	9,791	19,648
Liabilities to other entities	2,205,083	1,710,160
Liabilities to other entities subject to reverse factoring	1,499,065	1,012,625
Trade payables	**3,713,939**	**2,742,433**
Investment liabilities to related parties	335,205	108,684
Investment liabilities to other parties	83,526	69,651
Other payables	8,740	3,852
Other liabilities	**427,471**	**182,187**
Total	**4,141,410**	**2,924,620**
- current	4,141,350	2,924,530
- non-current	60	90

**restated data*

As at 31 December 2024 the factoring limit was PLN 1,990 million, with the unused limit totaling PLN 587 million (as at 31 December 2023 the respective limits were PLN 1,585 million and PLN 604 million). The liabilities subject to factoring at the end of the reporting period totaled PLN 1,499 million, while at the end of the previous reporting period they totaled PLN 1,013 million. The liabilities subject to factoring are presented in the line item "Trade and other payables" since the analysis conducted by the Group demonstrated that they maintained their trade relationship. The payment terms for trade payables not subject to a supplier finance agreement are up to 90 days, while the payment terms for liabilities under reverse factoring fall within a range of 30 to 90 days. Payment terms are set according to the binding legal regulations and the status of business partners; in particular, the payment terms for micro, small and medium commercial entities do not exceed 60 days.

(in thousands of PLN)	***31.12.2024***	***31.12.2023****
Liabilities to other entities subject to reverse factoring	1,499,065	1,012,625
- including financial liabilities for which the suppliers have received payment from financing entities	1,331,965	-*

**the lack of comparable data stems from the amendment of IFRS 7 and the information disclosure requirement for the current year*

26.2. Other non-financial liabilities

(in thousands of PLN)	***31.12.2024***	***31.12.2023***
VAT	4,502	4,690
Personal income tax	23,886	15,889
Social security liabilities	185,108	141,535
Other	7,160	9,324
Liabilities on taxes, customs duties, social security and other dues	**220,656**	**171,438**

27. Notes to the consolidated statement of cash flows

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

(in thousands of PLN)	***01.01.2024-31.12.2024***	***01.01.2023-31.12.2023****
Movement in inventories resulting from the consolidated statement of financial position	(442,585)	(660,081)
Accounting for the acquisition of subsidiaries	18,462	-
Movement in inventories in the consolidated statement of cash flows	**(424,123)**	**(660,081)**

(in thousands of PLN)	***01.01.2024-31.12.2024***	***01.01.2023-31.12.2023****
Movement in receivables resulting from the consolidated statement of financial position	(46,091)	(55,518)
Movement in other non-financial assets	(24,137)	5,047
Movement in receivables on the sale of fixed assets	3,387	(3,774)
Accounting for the acquisition of subsidiaries	10,875	-
Movement in receivables in the consolidated statement of cash flows	**(55,966)**	**(54,245)**

(in thousands of PLN)	***01.01.2024-31.12.2024***	***01.01.2023-31.12.2023****
Movement in liabilities resulting from the consolidated statement of financial position	1,155,002	(27,044)
Balance sheet movement of loans and borrowings	114,964	352,802
Movement in lease liabilities	(28,541)	2,389
Movement in investment settlements	(195,373)	13,145
Movement in settlements regarding issue of bonds	(61)	256,163
Movement in income tax liabilities	126,124	(56,702)
Movement in deferred income	2,498	992
Accounting for the acquisition of subsidiaries	(48,261)	-
Other adjustments	-	(4,690)
Movement in liabilities in the consolidated statement of cash flows	**1,126,352**	**537,055**

**restated data*

(in thousands of PLN)

28. Investment liabilities

In the presented reporting period, liabilities on account of purchases of property, plant and equipment included purchases related to the further expansion of the Dino Group store network and expansion of warehouse space. As at 31 December 2024 the Group had off-balance sheet liabilities arising from concluded preliminary agreements in the amount of PLN 1,322,268 thousand (as at 31 December 2023: PLN 1,126,359 thousand).

29. Information on related parties

The tables below present the total amounts of transactions concluded with related parties for the reporting periods subject to these consolidated financial statements:

	Sale to related parties	*Purchases from related parties*	*Receivables from related parties*	*Liabilities to related parties*
*Parties related through the majority owner**				
Zakłady Mięsne "Biernacki" Tomasz Biernacki				
2024	19	429	3	81
2023	36	383	1	18
BT Development BT Kapitał sp. z o.o. sp.k.				
2024	77	8,937	34	830
2023	39	8,307	42	784
BT Nieruchomości sp. z o.o.				
2024	-	18	-	-
2023	-	522	-	23
BT Kapitał sp. z o.o.				
2024	191	2	2	-
2023	172	3	18	1
*Krot Invest KR Inżynieria sp. z o.o. SKA***				
2024	1,424	672,799	428	336,268
2023	1,311	440,972	555	110,412
*Krot Invest 2 KR Inżynieria sp. z o.o. sp.k.***				
2024	12	63,798	1	5,734
2023	12	64,971	1	15,107
KR Inżynieria sp. z o.o.				
2024	1	-	-	49
2023	1	-	-	-
ZR 1 sp. z o.o.				
2024	41	3,345	2	292
2023	8	3,296	5	302
ZR 2 sp. z o.o.				
2024	109	5,112	4	463
2023	122	5,402	20	459
ZR 3 sp. z o.o.				
2024	149	4,844	16	411
2023	166	4,609	44	422
ZR 4 sp. z o.o.				
2024	94	4,030	2	331
2023	1	4,202	-	387

Zielony Rynek 6 BT Kapitał sp. z o.o. sp.k.				
2024	1	481	-	44
2023	-	467	-	45
Mleczarnia Naramowice sp. z o.o.				
2024	-	139	-	-
2023	-	120	-	-
Parties related through key personnel				
Agrofirma Spółdzielcza				
2024	287	304	-	11
2023	20	268	-	10
TBE sp. z o.o.				
2024	5	6,679	-	482
2023	5	5,934	-	362

**Actual beneficiary exercising control - note 21.1.2*

***Companies provide construction services and perform projects involving the construction of non-residential buildings and the preparation of sites for development to build stores efficiently and professionally in selected locations as well as the adaptation and modernization of commercial and warehouse facilities.*

29.1. Terms of related party transactions

The terms of the transactions concluded by the Group with related entities in the year ended 31 December 2024 and as at 31 December 2023 were concluded on an arm's length basis.

29.2. Remuneration for the Group's senior management

(in thousands of PLN)	***01.01.2024-31.12.2024***	***01.01.2023-31.12.2023***
Parent company's Management Board		
Short-term employee benefits (salaries)	3,954	3,624
Parent company's Supervisory Board		
Short-term employee benefits (salaries)	340	346
Total	**4,294**	**3,970**

30. Information on the audit firm's fees

The table below presents the fee charged by the entity authorized to audit the financial statements paid or due for the year ended 31 December 2024 and 31 December 2023 split by the types of services:

Type of services *(in thousands of PLN)*	***01.01.2024-31.12.2024***	***01.01.2023-31.12.2023****
Mandatory audit of financial statements	633	556
Review of the interim financial statements	156	123
Other services	235	20
Total	**1,024**	**699**

* *Refers to Ernst & Young Audyt Polska spółka z ograniczoną odpowiedzialnością sp. k.*

31. Objectives and principles of managing financial risk

The main financial instruments used by the Group include bank loans, bond issue, lease agreements and factoring. The main objective of these financial instruments is to raise funding for Group's activities. The Group also holds other financial instruments, such as trade receivables and payables (including payables in factoring), which arise directly from its activities.

The rule followed by the Group currently and throughout the whole period covered by the consolidated financial statements is to refrain from dealing in financial instruments.

The main types of risk arising from the Group's financial instruments include interest rate risk, liquidity risk, and credit risk. The parent company's Management Board verifies and agrees the principles of managing each type of risk – these principles are discussed briefly below.

31.1. Interest rate risk

The Group's exposure to the risk arising from changes in interest rates refers primarily to non-current financial liabilities bearing interest at a floating interest rate. The Company does not hedge its investments and liabilities using derivative financial instruments.

Interest rate risk - *sensitivity to changes*

The table below presents sensitivity of the profit (loss) before tax to the reasonably possible changes in interest rates, assuming that the other factors do not change (in connection with floating interest rate liabilities).

Year ended 31 December 2024	*Increase/decrease by percentage points*	*Impact on profit or loss before tax*
PLN	+ 1	(10,396)
PLN	- 1	10,396

Year ended 31 December 2023	*Increase/decrease by percentage points*	*Impact on profit or loss before tax*
PLN	+ 1	(14,716)
PLN	- 1	14,716

Lease liabilities, bank loans, payables in factoring and outstanding bonds bear interest at a floating interest rate. The interest rate on variable interest rate financial instruments is updated in periods shorter than one year. The Group's other financial instruments which are not presented in the tables below do not bear interest or bear interest at a fixed interest rate and hence are not subject to interest rate risk.

(in thousands of PLN)	***31.12.2024***	***31.12.2023***
Fixed rate financial instruments		
Financial assets	891,022	218,389
Floating rate financial instruments		
Financial liabilities	2,585,881	2,185,803

31.2. Credit risk

The Group has a policy in place governing its transactions with business partners. For this reason, in the opinion of management, there is no additional credit risk extending beyond the level delineated by the impairment loss on uncollectible receivables applicable to the Group's trade receivables. Transactions effected by the Group are settled mainly in cash. The credit risk for benefits under agreements with suppliers is inconsequential on account of the purchases made and the option to offset the settlements. The Group does not have significant overdue receivables for more than 30 days. The cash held is deposited with reputable credit institutions.

(in thousands of PLN)	***31.12.2024***	***31.12.2023***
Financial assets		
Trade receivables	261,700	158,340
Cash	891,022	218,389

(in thousands of PLN)

31.3. Liquidity risk

The Group monitors the liquidity risk using a periodic liquidity planning tool. This tool takes into account the maturities of trade and financial liabilities and financial assets and projected cash flows from operating activities.

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

The tables below present the Group's financial liabilities as at 31 December 2024 and as at 31 December 2023 according to the date of maturity on the basis of contractual undiscounted payments.

31 December 2024	*Up to 1 year*	*From 1 year to 5 years*	*Over 5 years*	*Total*	*Total according to the consolidated statement of financial position*
Cash	891,022	-	-	891,022	891,022
Trade receivables	261,700	-	-	261,700	261,700
Bank loans	(390,541)	(292,760)	(3,724)	(687,025)	(633,225)
Outstanding bonds	(223,304)	(176,863)	-	(400,167)	(374,845)
Lease liabilities	(23,215)	(49,284)	(23,957)	(96,456)	(78,718)
Trade and other payables	(4,362,006)	-	-	(4, 362,006)	(4,362,006)
Total	**(3,846,344)**	**(518,907)**	**(27,681)**	**(4,392,932)**	**(4,296,100)**

31 December 2023	*Up to 1 year*	*From 1 year to 5 years*	*Over 5 years*	*Total*	*Total according to the consolidated statement of financial position*
Cash	218,389	-	-	218,389	218,389
Trade receivables	158,340	-	-	158,340	158,340
Bank loans	(300,729)	(486,581)	(18,805)	(806,115)	(748,217)
Outstanding bonds	(26,139)	(400,166)	-	(426,305)	(374,784)
Lease liabilities	(17,824)	(31,501)	(10,326)	(59,651)	(50,177)
Trade and other payables	(3,095,968)	-	-	(3,095,968)	(3,095,968)
Total	**(3,063,931)**	**(918,248)**	**(29,131)**	**(4,011,310)**	**(3,892,417)**

31.4. Foreign exchange risk

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

32. Financial instruments

32.1. Far value of individual classes of financial instruments

In the opinion of the Group's Management Board, the fair value of cash, short-term deposits, trade receivables, trade payables does not deviate from their book value on account of the current nature of these instruments and the floating interest rate. Nor does the fair value of bank loans and bonds differ from their book values on account of the floating interest rate and margins not exhibiting volatility over the years and as at the reporting date. Nor did the credit facilities have any other costs than interest costs while the bonds were not issued at a discount.

(in thousands of PLN)	*Book value*	
	31.12.2024	***31.12.2023***
Cash	891,022	218,389
Trade and other receivables	376,480	330,389
Debt instruments measured at amortized cost	**1,267,502**	**548,778**

(in thousands of PLN)	*Book value*	
	31.12.2024	***31.12.2023***
Loans and borrowings	272,219	469,629
Liabilities by virtue of outstanding bonds	170,000	370,000
Lease liabilities	60,818	35,612
Non-current financial liabilities – carried at amortized cost	**503,037**	**875,241**
Loans and borrowings	361,034	278,588
Liabilities by virtue of outstanding bonds	204,845	4,784
Lease liabilities	17,900	14,565
Trade and other payables	2,642,345	1,911,995
Trade payables subject to reverse factoring	1,499,065	1,012,625
Current financial liabilities – carried at amortized cost	**4,725,189**	**3,222,557**

32.2. Revenue, expense and profit and loss items captured in the statement of profit or loss by financial instrument category

Year ended 31 December 2024

Financial assets (in thousands of PLN)	*Interest revenue*	*Net profit arising from foreign exchange differences*	*Reversal / (creation) of impairment losses for expected credit losses*	*Total*
Trade receivables	1,315	470	(1,016)	769
Loans granted	278	-	-	278
Cash	4,508	-	-	4,508
Total	**6,101**	**470**	**(1,016)**	**5,555**

Financial liabilities (in thousands of PLN)	*Interest expense*	*Net profit arising from foreign exchange differences*	*Reversal / (recognition) of impairment losses*	*Total*
Loans and borrowings	(61,144)	-	-	(61,144)
Lease liabilities	(2,737)	-	-	(2,737)
Trade payables	(29,836)	-	-	(29,836)
Liabilities by virtue of bonds issues	(26,129)	-	-	(26,129)
Other financial liabilities	(1,578)	-	-	(1,578)
Total	**(121,424)**	**-**	**-**	**(121,424)**

Year ended 31 December 2023

Financial assets (in thousands of PLN)	*Interest revenue*	*Net profit arising from foreign exchange differences*	*Reversal / (creation) of impairment losses for expected credit losses*	*Total*
Trade receivables	-	1,433	(500)	933
Loans granted	116	-	-	116
Cash	8,890	-	-	8,890
Total	**9,006**	**1,433**	**(500)**	**9,939**

Financial liabilities (in thousands of PLN)	*Interest expense*	*Net profit arising from foreign exchange differences*	*Reversal / (recognition) of impairment losses*	*Total*
Bank loans	(80,231)	-	-	(80,231)
Lease liabilities	(2,078)	-	-	(2,078)
Trade payables	(19,600)	-	-	(19,600)
Liabilities by virtue of bonds issues	(44,976)	-	-	(44,976)
Other financial liabilities	(431)	-	-	(431)
Total	**(147,316)**	**-**	**-**	**(147,316)**

33. Metric applied to assess the Group's profitability

EBITDA is the core metric used by the Management Board to assess the Dino Group's profitability. The Dino Group's EBITDA result was:

(in thousands of PLN)	***01.01.2024-31.12.2024***	***01.01.2023-31.12.2023***
Operating profit	1,908,330	1,875,855
Depreciation and amortization	409,179	356,828
EBITDA	**2,317,509**	**2,232,683**

The Dino Group defines EBITDA as operating profit plus depreciation and amortization and impairments due to the loss of value on non-current assets. This ratio is not a measure governed by EU IFRS.

34. Capital management

The main objective of the Group's capital management is to maintain a good credit rating and safe capital ratios which will support the Group's operating activities and increase the shareholder value. The Group manages the capital structure and introduces adjustments thereto as a result of changes in the economic conditions. To maintain or adjust the capital structure, the Group may change the dividend payout to shareholders, return the capital to shareholder or issue new bonds. In the years ended 31 December 2024 and 31 December 2023 no changes were made to the objectives, rules and processes in place in this area. The Group monitors the level of capital using the leverage ratio, calculated as the ratio of financial and trade liabilities to the sum of capital plus financial and trade liabilities. The Group treats as financial and trade liabilities interest-bearing bank loans, bonds, trade payables and other payables, minus cash and cash equivalents.

(in thousands of PLN)	***31.12.2024***	***31.12.2023***
Interesting-bearing loans, bonds	1,008,098	1,123,001
Lease liabilities	78,718	50,177
Trade and other payables	4,362,006	3,095,968
Minus cash	(891,022)	(218,389)
Financial and trade liabilities	**4,557,800**	**4,050,757**
Total equity	7,102,434	5,605,311
Equity and financial and trade liabilities	**11, 660,234**	**9,656,068**
Leverage ratio	39%	42%

The diminishment of the exposure to external capital in financing the Group is evaluated positively by the Management Board.

35. Employment structure

The headcount in the Group as at 31 December 2024 and 31 December 2023 was as follows:

	31.12.2024	***31.12.2023***
Parent Company's Management Board	3	3
White-collar employees	11,758	3,307
Blue-collar employees	38,126	38,573
Total	**49,887**	**41,883**

36. Events after the reporting date

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