



**Interim Report  
of the Dino Polska S.A. Group  
for H1 2020**

Unofficial translation. Only the Polish version is binding.

**Dino Polska Spółka Akcyjna** („Dino”, „Company”, „parent company”) joint stock company with its registered office in Krotoszyn at ul. Ostrowska 122, 63-700 Krotoszyn, entered in the register of businesses of the National Court Register under file number 0000408273. Taxpayer Identification Number [NIP]: 6211766191, Statistical Number [REGON]: 300820828.

The Company’s share capital as at 30 June 2020 was PLN 9,804,000.00 and consisted of 98,040,000 shares with a nominal value of PLN 0.10 each.

This document (“Interim H1 2020 Report”, “Report”) comprises the interim condensed consolidated financial statements of the Dino Polska S.A. Group (“Group”, “Dino Group”) for the 6-month period ended 30 June 2020 (“Financial Statements”), the Company’s interim condensed financial statements for the 6-month period ended 30 June 2020 and additionally the information required by the pertinent legal regulations.

Unless specified otherwise, the data in this Report comes from Dino. This document was prepared on 20 August 2020 (“Report Date”) and published on 21 August 2020.

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## 1. DINO GROUP'S FINANCIAL HIGHLIGHTS

	<i>6 months period ended</i>		<i>6 months period ended</i>	
	<i>30 June</i>		<i>30 June</i>	
	<i>2020</i>	<i>2019</i>	<i>2020</i>	<i>2019</i>
under IFRS, unaudited	<i>PLN '000</i>		<i>EUR '000*</i>	
Sales	4,685,796	3,500,142	1,055,051	816,264
Operating profit	334,847	236,843	75,394	55,234
Profit before tax	309,714	209,437	69,735	48,843
Net profit for the year	251,915	172,457	56,721	40,219
Basic / Diluted earnings per share (PLN, EUR)	2.57	1.76	0.58	0.41
Net cash flows from operating activities	137,479	257,386	30,955	60,025
Net cash flows from investing activities	(435,624)	(434,248)	(98,085)	(101,271)
Net cash flows from financing activities	205,000	256,067	46,158	59,717
Net increase/(decrease) in cash and cash equivalents	(93,145)	79,205	(20,972)	18,471

\*Based on average EUR/PLN exchange rate at the end of each month in first half of the year published by the National Bank of Poland (1 EUR = 4.4413 PLN in 2020 and 1 EUR = 4.288 PLN in 2019)

	<i>As at</i>		<i>As at</i>	
	<i>6/30/2020</i>	<i>12/31/2019</i>	<i>6/30/2020</i>	<i>12/31/2019</i>
	<i>PLN '000</i>		<i>EUR '000**</i>	
under IFRS, unaudited				
Total assets	4,636,692	4,350,750	1,038,220	1,021,663
Total non-current assets	3,523,300	3,215,763	788,916	755,140
Total current assets	1,113,392	1,134,987	249,304	266,523
Total equity	1,874,268	1,622,353	419,674	380,968
Share capital	9,804	9,804	2,195	2,302
Total long-term liabilities	1,074,211	860,217	240,531	202,000
Total current liabilities	1,688,213	1,868,180	378,015	438,694

\*\*Based on the average EUR/PLN exchange rate of the National Bank of Poland as at 6/30/2020 (1 EUR = 4.466 PLN) and 12/31/2019 (1 EUR = 4.2585 PLN)

## 2. MANAGEMENT BOARD ACTIVITY REPORT

### 2.1. Operations of the Dino Group

#### 2.1.1. Business profile

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

As at 30 June 2020, the Dino network consisted of 1,302 stores with a total selling area of 505,095 square meters. The Dino Polska has many years of experience and a proven capacity to open new stores, enabling it to grow its number of stores by 625, i.e. 92%, in the period of three years up to 30 June 2020. Its network expansion has been accompanied by significant like for like (LFL) revenue growth in its current store network, which in H1 2020 stood at 13.3% compared to the corresponding period of 2019. The Dino Group continues to develop its network, consistently looking for sites for its new stores.

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

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

Dino's strategy assumes further business development through focus on three key areas:

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

#### 2.1.2. Recap of the Dino Group's operations in H1 2020

In H1 2020, the Dino Group's revenue totaled PLN 4,685.8 million and was PLN 1,185.7 million, i.e. 33.9%, higher than in H1 2019. Concurrently, the cost of sales rose 33.0% to PLN 3,523.7 million.

In Q2 2020 the Dino Group's revenue totaled PLN 2,465.4 million and was PLN 525.7 million, i.e. 27.1% higher than in Q2 2019. Concurrently, the cost of sales rose 25.5% to PLN 1,848.1 million.

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

(PLN 000s)	H1 2020	H1 2019	Change H1 2020 / H1 2019	Q2 2020	Q2 2019	Change Q2 2020 / Q2 2019
<b>Sales revenue</b>	<b>4,685,796</b>	<b>3,500,142</b>	<b>33.9%</b>	<b>2,465,412</b>	<b>1,939,666</b>	<b>27.1%</b>
Cost of sales	(3,523,703)	(2,649,240)	33.0%	(1,848,129)	(1,472,211)	25.5%
<b>Gross profit on sales</b>	<b>1,162,093</b>	<b>850,902</b>	<b>36.6%</b>	<b>617,283</b>	<b>467,455</b>	<b>32.1%</b>
Other operating income	3,633	3,146	15.5%	1,732	1,871	-7.4%
Sales and marketing expenses	(782,202)	(577,124)	35.5%	(404,212)	(303,933)	33.0%
General administration expenses	(45,546)	(35,060)	29.9%	(23,654)	(19,880)	19.0%
Other operating expenses	(3,131)	(5,021)	-37.6%	62	(3,287)	-101.9%
<b>Operating profit</b>	<b>334,847</b>	<b>236,843</b>	<b>41.4%</b>	<b>191,211</b>	<b>142,226</b>	<b>34.4%</b>
Financial income	2,729	255	970.3%	2,133	184	1059.0%
Financial expenses	(27,862)	(27,661)	0.7%	(11,917)	(15,323)	-22.2%
<b>Profit before tax</b>	<b>309,714</b>	<b>209,437</b>	<b>47.9%</b>	<b>181,426</b>	<b>127,087</b>	<b>42.8%</b>
Income tax	(57,799)	(36,980)	56.3%	(33,424)	(21,595)	54.8%
<b>Net profit</b>	<b>251,915</b>	<b>172,457</b>	<b>46.1%</b>	<b>148,002</b>	<b>105,492</b>	<b>40.3%</b>

In H1 2020 EBITDA rose year-on-year by 36.9% to PLN 428.8 million. The EBITDA margin was 9.15% and was up 0.2 percentage points from H1 2019. In Q2 2020 EBITDA climbed 31.7% to PLN 238.7 million. The EBITDA margin was 9.68%, up 0.34 percentage points from Q2 2019.

*The following table presents EBITDA*

(PLN 000s)	H1 2020	H1 2019	Change H1 2020 / H1 2019	Q2 2020	Q2 2019	Change Q2 2020 / Q2 2019
<b>Net profit</b>	<b>251,915</b>	<b>172,457</b>	<b>46.1%</b>	<b>148,002</b>	<b>105,492</b>	<b>40.3%</b>
Income tax	(57,799)	(36,980)	56.3%	(33,424)	(21,595)	54.8%
Result on financing activity	(25,133)	(27,406)	-8.3%	(9,785)	(15,139)	-35.4%
Depreciation and amortization	(93,992)	(76,404)	23.0%	(47,486)	(39,006)	21.7%
<b>EBITDA</b>	<b>428,839</b>	<b>313,247</b>	<b>36.9%</b>	<b>238,697</b>	<b>181,232</b>	<b>31.7%</b>
EBITDA margin	9.15%	8.95%		9.68%	9.34%	

### Sales revenue

Significant top line improvement is the outcome of Dino's store network roll-out to open new stores and growing revenues in the current store network (like for like, LfL)<sup>1</sup>. LfL sales growth in H1 2020 was 13.3%, compared to the corresponding period of 2019.

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

In Q2 2020 LFL sales growth was 7.8%. The LFL sales rate in Q2 2020 was lower than in Q2 2019 on account of the government restrictions imposed on the mobility of the population and the operation of stores in connection with the epidemiological situation in Poland.

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

%	H1 2020	Q2 2020	Q1 2020	H1 2019	Q2 2019	Q1 2019	2019	2018	2017
Inflation (deflation).....	3.9	3.2	4.5	1.8	2.4	1.2	2.3	1.6	2.0
Food price inflation.....	7.1	6.4	7.7	3.3	4.7	1.8	4.9	2.6	4.2
<b>Dino's LFL .....</b>	<b>13.3</b>	<b>7.8</b>	<b>20.3</b>	<b>11.1</b>	<b>16.6</b>	<b>5.0</b>	<b>11.6</b>	<b>11.6</b>	<b>16.2</b>

Fresh products, including meat, cold cuts and poultry, accounted for 39.3% of the Group's sales in Q2 2020 and for 39.7% in H1 2020, i.e. signifying growth of 0.4 percentage points and 0.7 percentage points, respectively in relation to the corresponding periods of 2019.

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

%	H1 2020	H1 2019	Q2 2020	Q2 2019
Fresh products.....	39.7	39.0	39.3	38.9
Dry grocery products, beverages, alcohol and cigarettes.....	47.5	49.2	47.9	49.5
Non-grocery products .....	12.8	11.8	12.8	11.6

### *Dino store network roll-out*

In Q2 2020, 68 new Dino stores were launched. 84 new stores were opened in total in H1 2020 versus 81 in the corresponding period of last year. As at 30 June 2020, the Dino network numbered 1,302 stores, 246 more than last year.

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

	Number of stores as at 30 June		Number of stores as at 31 December		
	2020	2019	2019	2018	2017
Number of new store openings in H1 / year .....	84	81	243	202	147
Total number of stores .....	1302	1056	1218	977	775
Total selling area (m <sup>2</sup> ).....	505,095	407,684	472,224	375,715	295,226
Growth of sales area y/y .....	23.9%	25.5%	25.7%	27.3%	23.8%

### *Cost of sales*

The cost of sales was 75.2% and 75.7% of revenue, respectively in H1 2020 and H1 2019. The cost of sales rose PLN 874.5 million, i.e. by 33.0% to PLN 3,523.7 million in H1 2020 compared to PLN 2,649.2 million in H1 2019, with a corresponding 33.9% increase of revenue. This growth was caused mainly by the Dino Group's growing business size in connection with the expansion of the Dino Group's store network and rising sales in the current store network (LFL).

### Sales and marketing expenses

Sales and marketing expenses grew by PLN 205.1 million, i.e. 35.5% to PLN 782.2 million in H1 2020 compared to PLN 577.1 million in H1 2019. This growth was mainly driven by the Dino Group's growing business size and the related expansion of the Dino Group's store network and rising LFL sales in its current store network, thereby necessitating higher costs associated with store upkeep, storage of merchandise and marketing.

### General administration expenses

General administration expenses rose PLN 10.5 million, or 29.9%, to PLN 45.5 million in H1 2020 compared to PLN 35.1 million in H1 2019. This was caused mainly by the expansion of the Dino Group's store network (some administrative functions expanded in line with the Dino Group's store network's rollout).

### Costs by nature

The following table presents costs by nature.

<i>(PLN 000s)</i>	H1 2020	H1 2019	Change H1 2020 / H1 2019	Q2 2020	Q2 2019	Change Q2 2020 / Q2 2019
Depreciation and amortization .....	93,992	76,404	23.0%	47,486	39,006	21.7%
Consumption of materials and energy .....	440,713	310,295	42.0%	227,816	182,413	24.9%
External services .....	149,633	140,673	6.4%	71,932	75,995	-5.3%
Taxes and fees .....	27,025	20,023	35.0%	13,355	10,646	25.4%
Costs of employee benefits .....	571,520	402,450	42.0%	301,638	213,983	41.0%
Other costs by nature .....	17,483	13,950	25.3%	11,084	8,069	37.4%
Cost of goods and materials sold .....	3,058,887	2,301,732	32.9%	1,603,557	1,268,250	26.4%
<b>Total costs by nature, including: .....</b>	<b>4,359,253</b>	<b>3,265,527</b>	<b>33.5%</b>	<b>2,276,868</b>	<b>1,798,362</b>	<b>26.6%</b>
Items captured in cost of sales .....	3,523,703	2,649,240	33.0%	1,848,129	1,472,211	25.5%
Items captured in sales and marketing expenses	782,202	577,124	35.5%	404,212	303,934	33.0%
Items captured in general administration expenses	45,546	35,060	29.9%	23,654	19,880	19.0%
Movement in products .....	7,803	4,103	90.2%	873	2,337	-62.6%

Total costs by nature increased by PLN 1,093.7 million, or 33.5%, to PLN 4,359.3 million in H1 2020, compared to PLN 3,265.5 million in H1 2019, mainly as a result of higher: (i) cost of merchandise and materials sold (up PLN 757.2 million), (ii) costs of employee benefits (up PLN 169.1 million) and (iii) consumption of materials and energy (up PLN 130.4 million). This growth was caused mainly by the expansion of the Dino Group's store network and rising sales in the current store network (LFL).

The costs of employee benefits rose PLN 169.1 million, i.e. 42.0% to PLN 571.5 million in H1 2020 compared to PLN 402.5 million in H1 2019. This growth resulted primarily from the higher number of Dino Group employees from 18,327 as at 30 June 2019 to 23,633 as at 30 June 2020 in connection with the Dino Group's expanding business size and the related expansion of the Dino Group's store network and rising LFL sales in the current network and, to a smaller extent, from the higher average salary in the Dino Group.

Consumption of materials and energy climbed PLN 130.4 million, or 42.0%, to PLN 440.7 million in H1 2020 compared to PLN 310.3 million in H1 2019. This growth was caused mainly by the growth in the costs of consumed materials and raw materials in connection with the Dino Group's expanding business size and the ensuing expansion of the Dino Group's store network and rising LFL sales in the current store network.

External services, which comprised in particular transportation services, lease and tenancy services and maintenance services increased by PLN 9.0 million, or 6.4%, to PLN 149.6 million in H1 2020 compared to PLN 140.7 million in H1 2019. This growth was caused mainly by the Dino Group's growing business size and the



related expansion of the Dino Group's store network and rising LFL sales in the current store network, which was partially offset by the higher efficiency of costs of transport services stemming from the decline in fuel prices.

### Financial expenses

The Dino Group's financial expenses edged up PLN 0.2 million, or 0.7%, to PLN 27.9 million in H1 2020 compared to PLN 27.7 million in H1 2019. Financial expenses were affected by the drop in interest rates applicable to loans and borrowings due to the interest rate cut.

### Balance sheet – assets – selected line items

(PLN 000s)	2020-06-30	2020-03-31	2019-12-31	2019-06-30	Change 30.06.20 / 31.12.19	Change 30.06.20 / 30.06.19
Property, plant and equipment.....	3,170,229	2,950,860	2,846,818	2,487,966	11.4%	27.4%
Right-of-use assets .....	234,081	242,531	251,744	250,672	-7.0%	-6.6%
Intangible assets .....	99,824	99,895	99,048	98,457	0.8%	1.4%
Deferred tax assets .....	19,156	18,649	18,139	17,688	5.6%	8.3%
<b>Total non-current assets .....</b>	<b>3,523,300</b>	<b>3,311,947</b>	<b>3,215,763</b>	<b>2,854,801</b>	<b>9.6%</b>	<b>23.4%</b>
Inventories .....	714,163	730,058	623,995	489,075	14.5%	46.0%
Trade and other receivables .....	44,570	40,308	78,123	57,820	-42.9%	-22.9%
Income tax receivables .....	0	2	123	851	-	-
Other non-financial assets .....	52,647	60,089	37,729	40,547	39.5%	29.8%
Cash and cash equivalents.....	301,575	355,740	394,720	348,177	-23.6%	-13.4%
<b>Total current assets .....</b>	<b>1,113,392</b>	<b>1,186,645</b>	<b>1,134,987</b>	<b>936,470</b>	<b>-1.9%</b>	<b>18.9%</b>
<b>TOTAL ASSETS .....</b>	<b>4,636,692</b>	<b>4,498,592</b>	<b>4,350,750</b>	<b>3,791,271</b>	<b>6.6%</b>	<b>22.3%</b>

Total assets increased by PLN 285.9 million, i.e. 6.6%, from PLN 4,350.8 million as at 31 December 2019 to PLN 4,636.7 million as at 30 June 2020. Compared to 30 June 2019, total assets rose by PLN 845.4 million, or 22.3%.

As at 30 June 2020, the main components of total assets were: (i) property, plant and equipment (constituting 68.4%), (ii) inventories (constituting 15.4%) and (iii) cash and cash equivalents (constituting 6.5%).

Non-current assets rose by PLN 307.5 million, i.e. 9.6%, from PLN 3,215.8 million as at 31 December 2019 to PLN 3,523.3 million as at 30 June 2020. Compared to 30 June 2019, non-current assets rose by PLN 668.5 million, or 23.4%. In both cases this growth was caused mainly by higher property, plant and equipment which, in turn, was caused primarily by the Dino Group's network rollout and capital expenditures.

Current assets fell PLN 21.6 million, i.e. 1.9%, from PLN 1,135.0 million as at 31 December 2019 to PLN 1,113.4 million as at 30 June 2020. Compared to 30 June 2019, current assets rose PLN 176.6 million, i.e. 18.9% primarily as a result of higher inventories (up PLN 225.1 million) which was caused mainly by the Group's expanding business size.

### Balance sheet – liabilities and equity – selected line items

(PLN 000s)	2020-06-30	2020-03-31	2019-12-31	2019-06-30	Change 30.06.20 / 31.12.19	Change 30.06.20 / 30.06.19
<b>Equity.....</b>	<b>1,874,268</b>	<b>1,726,266</b>	<b>1,622,353</b>	<b>1,384,330</b>	<b>15.5%</b>	<b>35.4%</b>
Share capital.....	9,804	9,804	9,804	9,804	0.0%	0.0%
Supplementary capital.....	1,652,132	1,652,132	1,652,132	1,652,132	0.0%	0.0%
Retained earnings.....	204,832	56,830	(47,083)	(285,106)	-	-
Other equity .....	7,500	7,500	7,500	7,500	0.0%	0.0%
<b>Total equity.....</b>	<b>1,874,268</b>	<b>1,726,266</b>	<b>1,622,353</b>	<b>1,384,330</b>	<b>15.5%</b>	<b>35.4%</b>
Interest-bearing loans and borrowings.....	798,075	748,784	578,755	629,803	37.9%	26.7%

Lease liabilities .....	84,814	93,682	99,922	115,819	-15.1%	-26.8%
Other liabilities.....	180	180	210	210	-14.3%	-14.3%
Liabilities by virtue of outstanding securities.....	169,932	169,929	169,926	269,463	0.0%	-36.9%
Provisions for employee benefits .....	1,830	1,830	1,830	1,550	0.0%	18.1%
Deferred tax liability .....	19,369	17,959	9,509	10,613	103.7%	82.5%
Accruals and deferred revenue .....	11	21	65	185	-82.5%	-93.9%
<b>Total non-current liabilities.....</b>	<b>1,074,211</b>	<b>1,032,385</b>	<b>860,217</b>	<b>1,027,643</b>	<b>24.9%</b>	<b>4.5%</b>
Trade and other payables.....	1,277,115	1,308,904	1,474,503	1,124,541	-13.4%	13.6%
Current part of interest-bearing loans and borrowings .	181,564	169,438	137,705	128,523	31.8%	41.3%
Lease liabilities .....	50,310	51,596	56,316	62,251	-10.7%	-19.2%
Liabilities by virtue of outstanding securities.....	100,555	100,702	100,724	702	-0.2%	14231.6%
Income tax liabilities.....	32,474	71,014	68,606	31,880	-52.7%	1.9%
Accruals and deferred revenue .....	45,175	37,267	29,306	30,860	54.1%	46.4%
Provisions for employee benefits and other provisions	1,020	1,020	1,020	541	0.0%	88.7%
<b>Total current liabilities .....</b>	<b>1,688,213</b>	<b>1,739,941</b>	<b>1,868,180</b>	<b>1,379,298</b>	<b>-9.6%</b>	<b>22.4%</b>
<b>Total liabilities.....</b>	<b>2,762,424</b>	<b>2,772,326</b>	<b>2,728,397</b>	<b>2,406,941</b>	<b>1.2%</b>	<b>14.8%</b>
<b>TOTAL EQUITY AND LIABILITIES .....</b>	<b>4,636,692</b>	<b>4,498,592</b>	<b>4,350,750</b>	<b>3,791,271</b>	<b>6.6%</b>	<b>22.3%</b>

As at 30 June 2020, the main components of liabilities were: (i) trade and other payables (current part) representing 46.2%; (ii) interest-bearing loans and borrowings (non-current portion) representing 28.9% and (iii) current part of interest-bearing loans representing 6.6%.

Total liabilities rose PLN 34.0 million, i.e. 1.2%, from PLN 2,728.4 million as at 31 December 2019 to PLN 2,762.4 million as at 30 June 2020. Total liabilities rose by PLN 355.5 million, i.e. 14.8% from PLN 2,406.9 million as at 30 June 2019 to PLN 2,762.4 million as at 30 June 2020.

Non-current liabilities increased by PLN 214.0 million, or 24.9% from PLN 860.2 million as at 31 December 2019 to PLN 1,074.2 million as at 30 June 2020, predominantly as a result of higher interest-bearing loans and borrowings (up PLN 219.3 million) caused by the expansion of the Dino Group's store network.

Compared to 30 June 2019, non-current liabilities rose PLN 46.6 million, or 4.5%, due to the expansion of the Dino Group's store network.

Current liabilities fell PLN 180.0 million, or 9.6% from PLN 1,868.2 million as at 31 December 2019 to PLN 1,688.2 million as at 30 June 2020. Compared to 30 June 2019, current liabilities increased by PLN 308.9 million, or 22.4%, driven predominantly by an increase in trade and other payables (up PLN 152.6 million, mainly as a result of the expansion of the Dino Group's business size).

The Dino Group's net debt<sup>2</sup> stood at PLN 1,083.7 million as at 30 June 2020, signifying growth of PLN 335.0 million compared to 31 December 2019 and growth of PLN 225.3 million compared to 30 June 2019. The net debt to EBITDA ratio for the last 12 months was 1.3x as at 30 June 2020 versus 1.4x one year ago.

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

## Cash flows

(PLN 000s)	H1 2020	H1 2019	Change H1 2020 / H1 2019	Q2 2020	Q2 2019	Change Q2 2020 / Q2 2019
Net cash from operating activities, including: .....	137,479	257,386	-46.6%	117,734	241,119	-51.2%
profit before tax .....	309,714	209,437	47.9%	181,427	127,087	42.8%
depreciation and amortization .....	93,992	76,404	23.0%	47,486	39,006	21.7%
movement in working capital .....	(209,038)	17,501	-	(64,182)	111,554	-
other .....	(57,190)	(45,956)	24.4%	(46,998)	(36,529)	-
Net cash from investing activities .....	(435,624)	(434,248)	0.3%	(206,885)	(193,091)	7.1%
Net cash from financing activities .....	205,000	256,067	-19.9%	34,987	135,905	-74.3%
Net increase in cash and cash equivalents .	(93,145)	79,205	-	(54,165)	183,933	-

The Dino Group generated net operating cash flow in H1 2020 totaling PLN 137.5 million. In H1 2019 it was PLN 257.4 million. The decrease in net cash from operating activities was driven mainly by the decline of working capital, which in turn was due to lower trade and other payables.

Net cash flow from investing activities totaled PLN -435.6 million in H1 2020 and was up PLN 1.4 million, or by 0.3% compared to investing cash flow in H1 2019. This was mostly caused by the upswing in the number of new Dino store openings in H1 2020 and the development of storage capacity. In Q2 2020 the construction of the fifth distribution center in Łobez in the Western Pomeranian region was completed.

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

In the opinion of the Dino Management Board, the following factors will affect the Dino Group's business until the end of 2020:

- pace of new store openings by Dino Polska and the related capital expenditures,
- changes in consumer spending precipitated by evolving business conditions,
- growth rate of the prices of consumer goods and services, in particular food and soft drinks,
- epidemiological situation in Poland,
- improved efficiency of the Company's operations, benefits resulting from economies of scale and optimization of operating expenses, and improved efficiency of logistics services for stores (partially related to the falling costs of automobile fuel).

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

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

*The demanding situation on the labor market may unfavorably affect the Dino Group's operations*

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

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

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

*The deterioration of the epidemiological situation could have an adverse effect on the activity of the Dino Group*

The Company monitors the epidemiological situation in Poland and its impact on its business on an ongoing basis. As at the date of these interim consolidated financial statements, all areas of the Company's operating activity are performing efficiently and there are no significant reasons for revising the performance targets or plans set by the Management Board for 2020.

Even though the Company has undertaken multiple preventive measures and implemented a rigorous sanitary regime in all of its operating areas, one cannot preclude that it will not be capable of fully anticipating and preventing any and all possible consequences of the further spread of the epidemic. The implementation of new restrictions by the government and the application of home-based quarantine to the general populace may affect the Dino Group unfavorably, including the sales revenue generated by the Dino Group, its costs, business continuity in various areas and the Company's supply chain.

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

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

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

*The market on which the Dino Group conducts operations is characterized by high competition, and the pressure from the competitors may have adverse impact on the margins or growth prospects*

The market on which the Dino Group conducts operations is characterized by high competition due to the presence and constant growth of big organized retail chains, including supermarkets, discount stores and convenience stores, which frequently operate on a scale greater than the Dino Group's scale of business. There is no certainty that the Dino Group will be able to compete effectively with its current or future competitors, in particular in terms of prices and promotions and in terms of the product assortment offered, which could bring about a decline in the Dino Group's rate of growth, stagnation or a decline in the Dino Group's market share and a reduction in its

profitability. As a consequence, this could adversely affect the Dino Group's business, financial position and results.

*Unclear interpretation of Polish law or change of law may adversely affect the Dino Group*

The activities of the Dino Group are subject to various regulations in Poland (among others in respect to food production, fire and safety regulations, provisions of labor law and environmental law). If the Dino Group does not operate in compliance with these requirements, it may be liable to pay penalties, fees or damages as provided for by the relevant legislation and may even be required to suspend part of its operations. Also, a significant number of laws and regulations relevant to the activities of the Dino Group have been changed and may be changed or made more stringent in the future.

Instability of the legal system and regulatory environment increases the risk of incurring significant additional and unforeseen costs, as well as the costs of adjusting the operations to the changing legal environment, which may adversely affect the Dino Group's activities, financial standing, growth prospects and results.

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

The regulations of Polish tax law are complicated and change frequently. The practice of applying tax law by tax authorities is not homogeneous, while the jurisprudence of administrative courts on this subject often exhibits material differences. There can be no assurance that the tax authorities will not issue a different tax ruling in regard to the tax regulations applied by the Company or Dino Group companies, which could be unfavorable to the Company or Dino Group companies.

In particular, the Dino Polska Group cannot give an assurance that, as tax avoidance provisions are introduced that use general clauses and the interpretation and application of which will be developed in practice by the tax authorities and the jurisprudence of the administrative courts, the tax authorities will assess the tax effects of operations conducted by the Company or by the Dino Polska Group companies differently from how the Dino Polska Group does. This may apply in particular to restructuring transactions, which generate a tax advantage for the taxpayer, after the regulations containing a tax avoidance clause become effective. Also, there can be no assurance that the individual tax rulings obtained and applied by the Company or the Dino Polska Group companies will not change or be rendered inoperative for the same reason. The legislative practice also shows a tendency to enact legal acts in the field of tax law that may have retroactive effect, which may influence the amount of tax settlements.

On account of the above, there is no assurance that the tax authorities will not challenge the correctness of tax settlements made by the Company or the Dino Group companies in respect of tax liabilities for which the period of limitation has not expired and the determination of tax arrears of these entities, which may have an adverse effect on the Dino Group's business, financial standing and results.

There is also a risk that, as new regulations and the new retail sales tax are implemented or VAT increases, the Company or the Dino Group companies will have to undertake adaptive efforts, caused by the circumstances, which may lead to considerable expenses of adaptation to the new regulations or possibly to a decrease in the level of sales and revenues of the Dino Group (if VAT increases).

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

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

### *Shareholding structure of Dino Polska S.A. as at the Report Date*

	<u>Number of shares and number of votes at the Shareholder Meeting</u>	<u>Share in the share capital and in votes at the Shareholder Meeting</u>
Tomasz Biernacki with a subsidiary <sup>3</sup> .....	50,160,000	51.16%
Other shareholders.....	47,880,000	48.84%

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

On the Report Date, Szymon Piduch, who was the CEO of the Company until 2 July 2020 and who, as of 2 July 2020, is a Supervisory Board member of Dino Polska held 141,000 shares. Compared to 31 March 2020 and the publication date of the Q1 2020 report, the number of shares held by Szymon Piduch has not changed. Michał Krauze, a Management Board Member, held 30,000 Company shares as at the Report Date. Compared to 31 March 2020 and the publication date of the Q1 2020 report, the number of shares held by Michał Krauze has not changed. Izabela Biadała, a Management Board Member and Michał Muskała, a Management Board Member, did not hold any Company shares as at the Report Date. Compared to 31 March 2020 and the publication date of the Q1 2020 report, the number of Company shares held by the aforementioned Management Board Members has not changed.

Among the Supervisory Board members, as at the Report Date, the following members held shares in Dino: Tomasz Biernacki (Supervisory Board Chairman) – as detailed in the table above, Eryk Bajer (Supervisory Board Member) – 20,890 shares and Sławomir Jakszuk (Supervisory Board Member) – 1,600 shares. In connection with the transactions to buy shares in Dino Polska executed on the Warsaw Stock Exchange by BT Kapitał Sp. z o.o., the number of shares held by Tomasz Biernacki and BT Kapitał sp. z o.o., a company he controls, increased by 57,000 in comparison to the position held on 31 March 2020 and on the publication date of the Q1 2020 report. In connection with the transactions to buy shares in Dino Polska on the Warsaw Stock Exchange by Eryk Bajer, the number of shares held by him increased by 990 in comparison to the position held on 31 March 2020 and on the publication date of the Q1 2020 report.

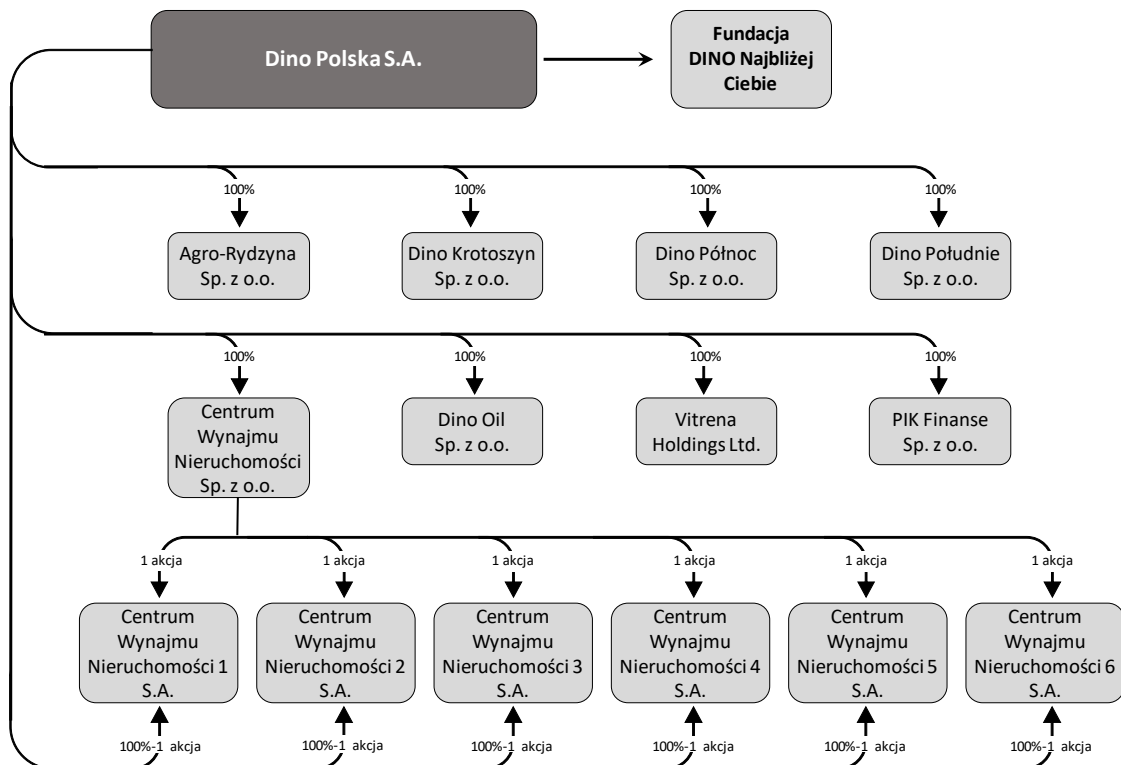
<sup>3</sup> BT Kapitał Sp. z o.o., a subsidiary of Tomasz Biernacki, holds a total of 160 thousand Company shares.

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

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

Dino Polska is run by a three-person Management Board in the following composition: Izabela Biadała, Management Board Member, Michał Krauze, Chief Financial Officer and Management Board Member and Michał Muskała, Management Board Member. Izabela Biadała was appointed to the Management Board by the Company’s Supervisory Board on 24 June 2020. On 2 July 2020, Szymon Piduch, the hitherto CEO of Dino Polska S.A. was elected by the Company’s Shareholder Meeting to be a Member of the Dino Polska S.A. Supervisory Board and accordingly, his resignation from acting in the capacity of the CEO, which he had submitted on 8 May 2020, took effect on the very same day.

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



### 2.4. Other information

#### Correction of errors of previous periods

In H1 2020 the Company did not adjust any data from prior periods.

### *Non-recurring amounts and events*

An atypical event in the Dino Group's business in the period from 1 January 2020 to 30 June 2020 was the epidemiological situation in Poland and the ensuing restrictions enacted by the government pertaining to the mobility of the population and how businesses function (especially in the period from March-April 2020). As a result thereof, in the middle of March 2020, the Company observed greater shopping activity among its customers who were engaged in stockpiling goods and less activity among consumers prior to the Easter Holidays (due to the restrictions mentioned above). Concurrently, chiefly in March 2020, the Company was compelled to incur certain incremental operating expenses related to the necessity of adapting to the epidemiological situation, and in particular to the necessity of phasing in a very rigorous sanitary regime in its store network and distribution centers.

The Company monitors the epidemiological situation and its impact on its business on an ongoing basis. As at the date of these interim consolidated financial statements, all areas of the Company's operating activity are performing efficiently and there are no significant reasons for revising the performance targets or plans set by the Management Board for 2020.

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

The Company's Management Board did not publish any forecasts for 2020.

### *Information about litigation and material proceedings pending in a competent body for arbitration or a public administrative authority*

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

### *Information on related party transactions*

In the reporting period there were no related party transactions that were not executed on an arm's length basis. Information on related party transactions is set forth in note 22 to the Interim consolidated condensed financial statements of Dino Polska for H1 2020.

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

Neither Dino Polska, nor any subsidiary of Dino Polska extended any material sureties or guarantees to entities from outside the Dino Group in H1 2020.

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

On 23 June 2020 the Management Board of Dino Polska S.A. made the decision to commence the construction of the Company's two new distribution centers in the communities of Sieronowice in the Opolskie Voivodship and Sierpc in the Mazowieckie Voivodship ("Investment").

In connection with this Investment the Company will enter into a number of contracts with entities independent of the Company that specialize in the execution of such investments, including the entity that will play the role of general contractor. This investment will involve the comprehensive construction and fit-out of the freezer, refrigerated storage area, controlled-temperature warehouses, dry goods warehouse and social and office space with the accompanying technical infrastructure, internal roads and parking spots. The total planned warehouse space of a single distribution center will be 45 thousand square meters.



The (net) estimated investment expenditures are approximately PLN 80 million per distribution center and will be financed using the Company's own funds and bank loans. The purpose of the new distribution centers is to handle the deliveries of goods to the growing number of Dino stores and support the network's ongoing geographic expansion. The Company anticipates that the construction of the two distribution centers will be completed in 2021.

On 30 June 2020, acting pursuant to the consent given by the Company's Supervisory Board, the Management Board of Dino Polska S.A. signed an annex ("Annex") to the framework agreement for construction work executed on 3 March 2017 ("Framework Agreement") between the Company and Krot Invest KR Inżynieria spółka z ograniczoną odpowiedzialnością S.K.A. ("General Contractor") which the Company reported in its prospectus in 2017.

The Framework Agreement defines the terms and conditions according to which the orders to build the individual Dino stores the Company submits to the General Contractor are supposed to be performed. The term for which the Framework Agreement was executed has been extended from 30 June 2020 to 30 June 2025 by the power of the Annex. The fee defined in the Framework Agreement per 1 square meter of floor space of development due to the General Contractor for building a store will remain unchanged with the stipulation that by the power of the Annex a mechanism will be introduced to index this fee once a year, starting from the date of signing the Annex, using the construction and assembly price index (for the construction of buildings) published by the President of the Central Statistical Office for the year preceding the year to which the indexation applies. The other material terms and conditions of the Agreement are not subject to change.

According to the Company, signing the Annex will enable it to maintain a high level of standardization and efficiency in the investment process pertaining to the launch of new Dino stores and will make it possible to maintain the rapid rollout of the Dino network in upcoming years.

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

The interim condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standard 34 "Interim Financial Reporting" approved by the European Union ("IAS 34").

These interim consolidated condensed financial statements do not contain all the information and disclosures required in annual financial statements and should be read jointly with the Group's consolidated financial statements for the year ended 31 December 2019 approved for publication on 13 March 2020.

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

These interim condensed consolidated financial statements have been prepared based on the assumption that the Group companies will continue as a going concern in the foreseeable future, except for Vitrena Holdings Ltd., which is currently in liquidation.

As at 30 June 2020, the Group presented an excess of current liabilities over current assets, which is typical for the retail industry and its seasonality, 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 number of its operational stores. Covenants related to loan agreements are monitored on an ongoing basis. As at the balance sheet date of 30 June 2020, there was no default on the terms and conditions of loan agreements and the Management Board is of the opinion there is no risk that banks may terminate such agreements within 12 months of the balance sheet date of 30 June 2020. As at the date of approval of the consolidated financial statements, no circumstances have been found that would indicate a threat for the Group companies to continue as a going concern.

### 3. MANAGEMENT BOARD'S REPRESENTATION

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

- the interim condensed financial statements of Dino Polska S.A. for the 6-month period ended 30 June 2020 and the comparable data have been prepared in accordance with the binding accounting principles and honestly, fairly and clearly reflect the assets and financial standing of the Dino Polska S.A. and its financial result,
- the interim consolidated condensed financial statements of the Dino Polska S.A. Group for the 6-month period ended 30 June 2020 and the comparable data have been prepared in accordance with the binding accounting principles and honestly, fairly and clearly reflect the assets and financial standing of the Dino Polska S.A. Group and its financial result,
- the Management Board's Report on the Activity of the Dino Polska S.A. Group in H1 2020 contains a true picture of the development, accomplishments and position of Dino Polska and the Dino Group, including a description of the fundamental threats and risks.

Michał Krauze

Management Board  
Member

Izabela Biadała

Management Board  
Member

Michał Muskała

Management  
Board Member

Krotoszyn, 20 August 2020

#### 4. APPENDICES

- 4.1. Interim consolidated condensed financial statements of the Dino Polska S.A. Group for the 6-month period ended 30 June 2020
- 4.2. Interim condensed financial statements of Dino Polska S.A. for the 6-month period ended 30 June 2020
- 4.3. Auditor's reports on the review of the financial statements

*DINO POLSKA S.A. GROUP*

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE 6-MONTH PERIOD ENDED 30 JUNE 2020  
WITH THE INDEPENDENT AUDITOR'S REPORT ON ITS REVIEW**

*DINO POLSKA S.A. GROUP*

Interim condensed consolidated financial statements for the 6-month period ended 30 June 2020 prepared in accordance with the International Financial Reporting Standards approved for application in the EU  
(in thousands of PLN)

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**FINANCIAL HIGHLIGHTS**

	<i>PLN 000s</i>		<i>EUR 000s*</i>	
	<i>01.01.2020- 30.06.2020</i>	<i>01.01.2019- 30.06.2019</i>	<i>01.01.2020- 30.06.2020</i>	<i>01.01.2019- 30.06.2019</i>
Sales revenue	4,685,796	3,500,142	1,055,051	816,264
Operating profit	334,847	236,843	75,394	55,234
Profit before tax	309,714	209,437	69,735	48,843
Net profit	251,915	172,457	56,721	40,219
Number of shares	98,040,000	98,040,000	98,040,000	98,040,000
Basic / diluted earnings per share in PLN, EUR	2.57	1.76	0.58	0.41
Cash flow from operating activities	137,479	257,386	30,955	60,025
Cash flow from investing activities	(435,624)	(434,248)	(98,085)	(101,271)
Cash flow from financing activities	205,000	256,067	46,158	59,717
Net change in cash and cash equivalents	(93,145)	79,205	(20,972)	18,471

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

- NBP's average exchange rate for H1 2020: PLN 4.4413/EUR;
- NBP's average exchange rate for H1 2019: PLN 4.2880/EUR;

	<i>PLN 000s</i>		<i>EUR 000s*</i>	
	<i>30.06.2020</i>	<i>31.12.2019</i>	<i>30.06.2020</i>	<i>31.12.2019</i>
Total assets	4,636,692	4,350,750	1,038,220	1,021,663
Total non-current assets	3,523,300	3,215,763	788,916	755,140
Total current assets	1,113,392	1,134,987	249,304	266,523
Equity	1,874,268	1,622,353	419,675	380,968
Share capital	9,804	9,804	2,195	2,302
Non-current liabilities	1,074,211	860,217	240,531	202,000
Current liabilities	1,688,213	1,868,180	378,015	438,694

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

- NBP's average exchange rate as at 30 June 2020: 4.4660 PLN/EUR;
- NBP's average exchange rate as at 31 December 2019: 4.2585 PLN/EUR.

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

	Note	01.01.2020- 30.06.2020	01.01.2019- 30.06.2019	01.04.2020- 30.06.2020	01.04.2019- 30.06.2019
		(unaudited)	(unaudited)	(unaudited)	(unaudited)
<b>Continuing operations</b>					
Sales revenue	8	4,685,796	3,500,142	2,465,412	1,939,666
Cost of sales	10.1	(3,523,703)	(2,649,240)	(1,848,129)	(1,472,211)
<b>Gross profit on sales</b>		<b>1,162,093</b>	<b>850,902</b>	<b>617,283</b>	<b>467,455</b>
Other operating income	10.2	3,633	3,146	1,732	1,871
Sales and marketing expenses	10.1	(782,202)	(577,124)	(404,212)	(303,933)
General administration expenses	10.1	(45,546)	(35,060)	(23,654)	(19,880)
Other operating expenses	10.3	(3,131)	(5,021)	62	(3,287)
<b>Operating profit</b>		<b>334,847</b>	<b>236,843</b>	<b>191,211</b>	<b>142,226</b>
Financial income	10.4	2,729	255	2,132	184
Financial expenses	10.5	(27,862)	(27,661)	(11,917)	(15,323)
<b>Profit before tax</b>		<b>309,714</b>	<b>209,437</b>	<b>181,426</b>	<b>127,087</b>
Income tax	11	(57,799)	(36,980)	(33,424)	(21,595)
<b>Net profit from continuing operations</b>		<b>251,915</b>	<b>172,457</b>	<b>148,002</b>	<b>105,492</b>
<b>Net profit for the reporting period</b>		<b>251,915</b>	<b>172,457</b>	<b>148,002</b>	<b>105,492</b>
Profit attributable:					
To owners of the parent		251,915	172,457	148,002	105,492
Earnings per share:					
– basic earnings from profit attributable to owners of the parent		2.57	1.76	1.51	1.08
– basic earnings from profit from continuing operations attributable to owners of the parent		2.57	1.76	1.51	1.08
– diluted earnings from profit attributable to owners of the parent		2.57	1.76	1.51	1.08
– diluted earnings from profit from continuing operations attributable to owners of the parent		2.57	1.76	1.51	1.08

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	<u>01.01.2020-</u> <u>30.06.2020</u>	<u>01.01.2019-</u> <u>30.06.2019</u>	<u>01.04.2020-</u> <u>30.06.2020</u>	<u>01.04.2019-</u> <u>30.06.2019</u>
<b>Net profit for the reporting period</b>	<b>251,915</b>	<b>172,457</b>	<b>148,002</b>	<b>105,492</b>
<i>Items not subject to reclassification to profit in subsequent reporting periods:</i>				
Actuarial gains/(losses) on defined benefit plans	-	-	-	-
Income tax on other comprehensive income	-	-	-	-
<b>Net other comprehensive income not subject to reclassification to profit/(loss) in subsequent reporting periods</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Comprehensive income in the reporting period</b>	<b>251,915</b>	<b>172,457</b>	<b>148,002</b>	<b>105,492</b>
Comprehensive income attributable:				
To owners of the parent	251,915	172,457	148,002	105,492
Non-controlling shareholders	-	-	-	-
	<b>251,915</b>	<b>172,457</b>	<b>148,002</b>	<b>105,492</b>



**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION****as at 30 June 2020**

	<i>Note</i>	<b>30.06.2020</b>	<b>31.12.2019</b>
<b>ASSETS</b>		<i>(unaudited)</i>	
Property, plant and equipment	12	3,170,229	2,846,818
Right-of-use assets		234,081	251,744
Intangible assets	13	99,824	99,048
Other non-financial assets		10	14
Deferred tax assets	11	19,156	18,139
<b>Total non-current assets</b>		<b>3,523,300</b>	<b>3,215,763</b>
Inventories		714,163	623,995
Trade and other receivables		44,570	78,123
Income tax receivables		-	123
Other non-financial assets		52,647	37,729
Other financial assets		437	297
Cash and cash equivalents		301,575	394,720
<b>Total current assets</b>		<b>1,113,392</b>	<b>1,134,987</b>
<b>TOTAL ASSETS</b>		<b>4,636,692</b>	<b>4,350,750</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity (attributable to owners of the parent)</b>		<b>1,874,268</b>	<b>1,622,353</b>
Share capital		9,804	9,804
Supplementary capital		1,652,132	1,652,132
Retained earnings		204,832	(47,083)
Other equity		7,500	7,500
<b>Non-controlling interests</b>		-	-
<b>Total equity</b>		<b>1,874,268</b>	<b>1,622,353</b>
Interest-bearing loans and borrowings	16	798,075	578,755
Lease liabilities	16	84,814	99,922
Liabilities by virtue of outstanding securities	16	169,932	169,926
Other liabilities		180	210
Provisions for employee benefits	15	1,830	1,830
Deferred tax liability	11	19,369	9,509
Accruals and deferred revenue		11	65
<b>Total non-current liabilities</b>		<b>1,074,211</b>	<b>860,217</b>
Trade and other payables		1,277,115	1,474,503
Current part of interest-bearing loans and borrowings	16	181,564	137,705
Lease liabilities	16	50,310	56,316
Liabilities by virtue of outstanding securities	16	100,555	100,724
Income tax liabilities		32,474	68,606
Accruals and deferred revenue		45,175	29,306
Provisions for employee benefits	15	1,020	1,020
<b>Total current liabilities</b>		<b>1,688,213</b>	<b>1,868,180</b>
<b>Total liabilities</b>		<b>2,762,424</b>	<b>2,728,397</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>4,636,692</b>	<b>4,350,750</b>

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

for the 6-month period ended 30 June 2020

	<i>Note</i>	<b>01.01.2020- 30.06.2020</b>	<b>01.01.2019- 30.06.2019</b>
		<i>(unaudited)</i>	<i>(unaudited)</i>
<b>Cash flow from operating activities</b>			
<i>Profit before tax</i>		309,714	209,437
<i>Adjustments for the line items:</i>			
Depreciation and amortization		(172,235)	47,949
(Profit)/loss on investment activity		93,992	76,404
Movement in trade receivables and other receivables	17.5	1,149	1,364
Movement in inventories		34,489	29,324
Movement in liabilities, except for loans and borrowings	17.5	(90,168)	(43,718)
Interest revenue		(153,359)	31,895
Interest expense		(781)	(212)
Movement in prepayments, accruals and deferred revenue		27,846	27,631
Movement in provisions		(438)	(5,093)
Income tax paid		-	-
Other		(84,965)	(69,646)
		-	-
<b>Net cash from operating activities</b>		<b>137,479</b>	<b>257,386</b>
<b>Cash flow from investing activities</b>			
Sale of items of property, plant and equipment and intangible assets		641	582
Purchase of items of property, plant and equipment and intangible assets		(436,906)	(435,042)
Interest received		781	212
Granting of loans		(140)	-
<b>Net cash from investing activities</b>		<b>(435,624)</b>	<b>(434,248)</b>
<b>Cash flow from financing activities</b>			
Payment of lease liabilities		(30,332)	(28,706)
Proceeds from obtained loans/borrowings	16	351,310	300,706
Repayment of loans/borrowings		(88,132)	(159,389)
Issue of debt securities	17.2	-	170,000
Interest paid		(27,846)	(26,544)
<b>Net cash from financing activities</b>		<b>205,000</b>	<b>256,067</b>
Net increase in cash and cash equivalents		(93,145)	79,205
<b>Cash at the beginning of the period</b>		<b>394,720</b>	<b>268,920</b>
<b>Cash at the end of the period</b>	<b>17.5</b>	<b>301,575</b>	<b>348,125</b>

*DINO POLSKA S.A. GROUP*

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**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**for the 6-month period ended 30 June 2020**

	<i>Attributable to owners of the parent</i>				<i>Total</i>
	<i>Share capital</i>	<i>Supplementary capital</i>	<i>Retained earnings</i>	<i>Other equity</i>	
<b>As at 1 January 2020</b>	<b>9,804</b>	<b>1,652,132</b>	<b>(47,083)</b>	<b>7,500</b>	<b>1,622,353</b>
Net profit for 2020	-	-	251,915	-	251,915
Other net comprehensive income for 2020	-	-	-	-	-
<i>Comprehensive income for the year</i>	-	-	251,915	-	251,915
<b>As at 30 June 2020*</b>	<b>9,804</b>	<b>1,652,132</b>	<b>204,832</b>	<b>7,500</b>	<b>1,874,268</b>
<b>As at 1 January 2019</b>	<b>9,804</b>	<b>1,307,273</b>	<b>(112,704)</b>	<b>7,500</b>	<b>1,211,873</b>
Net profit for 2019	-	-	410,907	-	410,907
Net other comprehensive income in 2019	-	-	(427)	-	(427)
<i>Comprehensive income for the year</i>	-	-	410,480	-	410,480
Distribution of the 2018 financial result	-	344,859	(344,859)	-	-
<b>As at 31 December 2019</b>	<b>9,804</b>	<b>1,652,132</b>	<b>(47,083)</b>	<b>7,500</b>	<b>1,622,353</b>
<b>As at 1 January 2019</b>	<b>9,804</b>	<b>1,307,273</b>	<b>(112,704)</b>	<b>7,500</b>	<b>1,211,873</b>
Net profit for 2019	-	-	172,457	-	172,457
Net other comprehensive income in 2019	-	-	-	-	-
<i>Comprehensive income for the year</i>	-	-	172,457	-	172,457
Distribution of the 2018 financial result	-	344,859	(344,859)	-	-
<b>As at 30 June 2019*</b>	<b>9,804</b>	<b>1,652,132</b>	<b>(285,106)</b>	<b>7,500</b>	<b>1,384,330</b>

\* *unaudited data*

## ADDITIONAL NOTES

### 1. General information

The Dino Polska S.A. Group (“Group”) consists of Dino Polska S.A. (“parent company”, “Company”) and its subsidiaries. The Group’s interim condensed consolidated financial statements span the 6-month period ended 30 June 2020 and contain comparative data for the 6-month period ended 30 June 2019 and as at 31 December 2019.

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 i Wilda, 9th Commercial Division of the National Court Register under file number KRS 0000408273. The parent company has been given the following statistical number: REGON 300820828.

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

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

The Group’s interim condensed consolidated financial statements for the 6-month period ended 30 June 2020 were approved for publication by the Management Board on 21 August 2020.

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

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

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

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

These interim condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standard 34 “Interim Financial Reporting” approved by the European Union (“IAS 34”).

These interim condensed consolidated financial statements do not contain all the information and disclosures required in annual financial statements and should be read jointly with the Group’s consolidated financial statements for the year ended 31 December 2019 approved for publication on 12 March 2020.

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

These interim condensed consolidated financial statements have been prepared based on the assumption that the Group companies will continue as a going concern in the foreseeable future, except for Vitrena Holdings Ltd., which is currently in liquidation.

As at 30 June 2020, the Group presented an excess of current liabilities over current assets, which is typical for the retail industry and its seasonality, 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 number of its operational stores. Covenants related to loan agreements are monitored on an ongoing basis. As at the balance sheet date of 30 June 2020, there was no default on the terms and conditions of loan agreements and the Management Board is of the opinion there is no risk that banks may terminate such agreements within 12 months of the balance sheet date of 30 June 2020. The Company monitors the epidemiological situation and its impact on its business on an ongoing basis. As at the date of these interim consolidated financial statements, all areas of the Company’s operating activity are performing efficiently and there are no significant reasons for revising the performance targets or plans set by the Company’s Management Board for 2020, nor has the existence of any circumstances indicating a threat to the Group companies continuing their operations been ascertained.

## 4. Significant accounting principles (policies)

The accounting principles (policies) used to draw up the interim condensed consolidated financial statements are consistent with the ones that were used to draw up the Group's annual consolidated financial statements for the year ended 31 December 2019 except for the application of new or modified standards and interpretations in force for annual periods beginning on or after 1 January 2020.

Amended standards or interpretations that came into force for the first time in 2020 do not have a material impact on the Group's interim condensed consolidated financial statements.

- Amendments to IFRS 3: *Definition of a business*

The amendments to IFRS 3 precisely state that to be recognized as a business, an integrated set of activities and assets must encompass at least one contribution and one significant process that together significantly contribute to the capacity to produce a product. These amendments also clarify that a business may exist without having all the contributions and processes needed to produce products.

- Amendments to IFRS 7, IFRS 9 and IAS 39: Interest Rate Benchmark Reform

Amendments to IFRS 9 and IAS 39 introduce a number of deviations to all hedging relationships on which the IBOR exerts a direct impact. The IBOR reform affects hedging relationships if it leads to uncertainty concerning the amortization schedule and/or the amount of cash flows based on the interest rate benchmark ensuing from a hedged position or a hedging instrument based on an interest rate benchmark.

- Amendments to IAS 1 and IAS 8: *Definition of "material"*

Amendments to IAS 1 and IAS 8 introduce a new definition of "material", which means that "Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity". These amendments clarify that materiality will depend on the nature or quantity of information, individually or collectively with other information, in the context of the entirety of the financial statements.

- Conceptual Framework for financial reporting of 29 March 2018

The Conceptual Framework does not constitute a distinct standard and none of the terms presented therein supersedes or repeals any of the terms presented in any standard, or the requirements of any of the standards. The purpose of the Conceptual Framework is to support the IASB in devising standards, help people preparing financial statements in drafting consistent accounting standards (policies) whenever a pertinent standard is lacking and support all the parties to financial reporting in understanding and applying the standards. The revised conceptual framework encompasses certain new terms, it contains updated definitions and criteria for the recognition of assets and liabilities, and it states more precisely certain important concepts.

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

## 5. Change of estimates and corrections of errors

No change of estimates was made in the 6-month period ended 30 June 2020 versus 31 December 2019.

## 6. Business seasonality

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

## 7. Revenue from contracts with customers

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

## 8. Information concerning business segments

The Dino Polska S.A. Group runs its operations in one business sector and has one operating and reporting segment in the form of sales in a retail store network.

Its revenues may be broken down by type of product or merchandise or product group. However, the Management Board does not measure detailed operating results generated by any of such categories, which means that it would be problematic to ascertain the unambiguous impact of the allocation of resources on each category. As such, information on revenues generated in each category is of a limited decision-making value. Because the smallest area of business for which the Management Board reviews profitability ratios is the level of the Dino Polska S.A. Group as a whole, only one operating segment has been isolated.

	<i>01.01.2020- 30.06.2020</i>	<i>01.01.2019- 30.06.2019</i>
Revenue on sales of products and services	593,054	419,217
Revenue on sales of goods and materials	4,092,742	3,080,925
<b>Total</b>	<b>4,685,796</b>	<b>3,500,142</b>

Revenue on sales of meat products produced within the Group is presented as revenue on sales of products, while revenue on retail sales of goods purchased for further resale is presented as revenue on sales of goods. The Group recognizes rental income in sales revenue. In H1 2020 this revenue was PLN 3,042 thousand (in 2019: PLN 3,345 thousand). The Group does not have customers whose sales would amount to more than 10% of the total value of sales. The Group generated all sales revenues in Poland.

## 9. Dividends distributed and proposed for distribution

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

## 10. Revenue and expenses

### 10.1. Costs by nature:

	<i>01.01.2020- 30.06.2020</i>	<i>01.01.2019- 30.06.2019</i>
Depreciation and amortization	93,992	76,404
Consumption of materials and energy	440,713	310,295
External services	149,633	140,673
Taxes and fees	27,025	20,023
Employee benefits	571,520	402,450
Other costs by nature	17,483	13,950
Cost of goods and materials sold	3,058,887	2,301,732

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<b>Total costs by nature, including:</b>	<b>4,359,253</b>	<b>3,265,527</b>
Items captured in cost of sales	3,523,703	2,649,240
Items captured in sales and marketing expenses	782,202	577,124
Items captured in general administration expenses	45,546	35,060
Movement in products	7,802	4,103

## 10.2. Other operating income

	<i>01.01.2020- 30.06.2020</i>	<i>01.01.2019- 30.06.2019</i>
Impairment losses for receivables	2	-
Grants	392	329
Damages	562	446
Income for making timely payments PIT-4	72	73
Revenue on the sales of PMEF certificates	76	-
Other (including debit/credit notes)	2,529	2,298
<b>Total other operating income</b>	<b>3,633</b>	<b>3,146</b>

## 10.3. Other operating expenses

	<i>01.01.2020- 30.06.2020</i>	<i>01.01.2019- 30.06.2019</i>
Impairment losses for receivables	269	111
Losses resulting from theft of merchandise	415	142
Loss on resale of property, plant and equipment	1,149	1,364
Donations	276	157
Other (including VAT, for 90 days)	1,022	3,247
<b>Total other operating expenses</b>	<b>3,131</b>	<b>5,021</b>

## 10.4. Financial income

	<i>01.01.2020- 30.06.2020</i>	<i>01.01.2019- 30.06.2019</i>
Interest income from banks	400	194
Interest income on receivables	366	18
Interest income on loans	15	-
Foreign exchange gains	1,948	43
<b>Total financial income</b>	<b>2,729</b>	<b>255</b>

## 10.5. Financial expenses

	<i>01.01.2020- 30.06.2020</i>	<i>01.01.2019- 30.06.2019</i>
Interest on bank loans	12,090	12,829
Interest on trade payables	9,515	10,156
Interest on other payables	89	19
Interest on bonds	3,676	1,554
Interest on lease agreements	2,324	2,912
Commissions	168	191
<b>Total financial expenses</b>	<b>27,862</b>	<b>27,661</b>

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## 11. Income tax

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

	<i>01.01.2020- 30.06.2020</i>	<i>01.01.2019- 30.06.2019</i>
Profit before tax from continuing operations	309,714	209,437
Profit before tax	309,714	209,437
Tax at the statutory tax rate in Poland at 19% (comparative period: 19%)	(58,846)	(39,793)
Investment allowance for operating in a special economic zone	1,809	483
Income and expense items that are never taxable or deductible	(762)	2,330
Tax at the effective tax rate of 19% (comparative period: 18%)	(57,799)	(36,980)
Income tax (expense) recognized in consolidated profit or loss	(57,799)	(36,980)

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

	<i>Consolidated statement of financial position</i>		<i>Consolidated statement of profit or loss for the year ended</i>	
	<i>30.06.2020</i>	<i>31.12.2019</i>	<i>30.06.2020</i>	<i>30.06.2019</i>
<i>Deferred tax liability</i>				
Temporary difference in the value of fixed assets	31,518	28,084	3,434	4,061
Accrued interest as at the balance sheet date	7,236	6,523	713	(160)
Provision for future income	23,389	10,052	13,337	4,252
Other	2	22	(20)	(37)
Presentation adjustment	(42,776)	(35,172)	(7,604)	(3,426)
<b>Deferred tax liability</b>	<b>19,369</b>	<b>9,509</b>		
<i>Deferred tax assets</i>				
Difference in measurement of inventories	17,721	16,161	1,560	(263)
Provisions for retirement severance benefits	495	494	1	(11)
Provision for unused holiday leave	7,042	5,132	1,910	969
Provision for other liabilities (e.g. energy, bonuses, audit of financial statements)	4,817	1,907	2,910	4,080
Mandate contracts paid in the subsequent year	697	672	25	75
Social security contributions	5,741	4,704	1,037	463
Accrued interest as at the balance sheet date	7,397	6,707	690	
Other (including foreign exchange losses, VAT 90 days)	329	151	178	(879)
Losses deductible from future taxable income	240	246	(6)	57
Temporary difference in the value of fixed assets	4,729	4,413	316	316
Allowance on the amount of eligible capital expenditures for business in a Special Economic Zone	12,724	12,724	-	-
Presentation adjustment	(42,776)	(35,172)	(7,604)	(3,426)
<b>Deferred tax assets</b>	<b>19,156</b>	<b>18,139</b>		
<b>Deferred tax expense</b>			<b>(8,843)</b>	<b>(3,309)</b>

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

The details of transactions and tax risks were presented in the 2019 consolidated financial statements (note 14.3).

## 12. Property, plant and equipment

### Purchase and sale



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In the 6-month period ended 30 June 2020 the Group purchased property, plant and equipment worth PLN 391,510 thousand (in the 6-month period ended 30 June 2019: PLN 403,719 thousand).

In the 6-month period ended 30 June 2020 the Group liquidated and sold property, plant and equipment whose total net value was PLN 1,475 thousand (in the 6-month period ended 30 June 2019: PLN 1,929 thousand).

### 13. Intangible assets

#### Purchase and sale

In the 6-month period ended 30 June 2020 the Group purchased intangible assets (licenses and software) worth PLN 3,164 thousand (in 2019: PLN 5,338 thousand).

### 14. Goodwill

There were no changes to goodwill in the period ended 30 June 2020 and 31 December 2019. As at 30 June 2020 goodwill was equal to PLN 64,989 thousand (PLN 64,989 thousand in 2019). The Group conducted an impairment value test as at 31 December 2019. The test demonstrated that there was no impairment in respect of goodwill or the trademarks. According to the Management Board, the prerequisites were not met to perform a test as at 30 June 2020.

### 15. Provisions

	<i>Retirement and disability benefits</i>	<i>Deferred tax liability</i>	<i>Total</i>
<b>Opening balance as at 1 January 2020</b>	<b>2,850</b>	<b>9,509</b>	<b>12,359</b>
Increases	-	9,860	9,860
Utilization	-	-	-
<b>Closing balance as at 30 June 2020</b>	<b>2,850</b>	<b>19,369</b>	<b>22,219</b>
Short-term provisions	1,020	-	1,020
Long-term provisions	1,830	19,369	21,199

	<i>Retirement and disability benefits</i>	<i>Deferred tax liability</i>	<i>Total</i>
<b>Opening balance as at 1 January 2019</b>	<b>2,091</b>	<b>5,923</b>	<b>8,014</b>
Increases	759	3,586	4,345
Utilization	-	-	-
<b>Closing balance as at 31 December 2019</b>	<b>2,850</b>	<b>9,509</b>	<b>12,359</b>
Short-term provisions	1,020	-	1,020
Long-term provisions	1,830	9,509	11,339

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

	<i>30.06.2020</i>	<i>31.12.2019</i>
<b>Current</b>		

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Finance lease liabilities		50,310	56,316
Investment loans		156,525	117,251
Loans to finance current activity		24,654	19,998
Borrowing		385	456
Issue of debt securities	17.2	100,555	100,724
		<b>332,429</b>	<b>294,745</b>
<b>Non-current</b>			
Finance lease liabilities		84,814	99,922
Investment loans		678,402	518,528
Loans to finance current activity		119,673	60,071
Borrowing		-	156
Issue of debt securities	17.2	169,932	169,926
		<b>1,052,821</b>	<b>848,603</b>

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Type of liability	Date agreement signed	Outstanding liability as at 30 June 2020 (thousands of PLN)	Interest rate	Date of repayment	Collateral type
1. Credit facility with PKO BP	2012-01-26	-	WIBOR + margin	2020-10-30	joint contractual mortgage, assignment of rights to an insurance policy
2. Credit facility with PKO BP	2016-10-25	34,922	WIBOR + margin	2024-10-24	joint contractual mortgage, assignment of rights to an insurance policy
3. Credit facility with PKO BP	2011-04-13	905	WIBOR + margin	2021-04-12	joint contractual mortgage, assignment of rights to an insurance policy
4. Credit facility with PKO BP	2013-05-23	16,250	WIBOR + margin	2021-12-31	joint contractual mortgage, assignment of rights to an insurance policy
5. Credit facility with PKO BP	2016-10-25	102,353	WIBOR + margin	2025-04-24	joint contractual mortgage, assignment of rights to an insurance policy
6. Credit facility with PKO BP	2019-02-11	69,647	WIBOR + margin	2026-08-11	joint contractual mortgage, assignment of rights to an insurance policy
7. Credit facility with PKO BP	2020-02-07	150,000	WIBOR + margin	2023-11-06	joint contractual mortgage, assignment of rights to an insurance policy
8. Credit facility with Santander	2018-02-19	55,050	WIBOR + margin	2023-02-18	joint contractual mortgage, assignment of rights to an insurance policy
9. Credit facility with mBank	2016-11-04	-	WIBOR + margin	2022-10-06	joint contractual mortgage, assignment of rights to an insurance policy
10. Credit facility with mBank	2012-03-08	2,270	WIBOR + margin	2021-12-31	joint contractual mortgage, assignment of rights to an insurance policy
11. Credit facility with mBank	2013-11-22	1,221	WIBOR + margin	2023-10-31	joint contractual mortgage, assignment of rights to an insurance policy
12. Credit facility with mBank	2014-01-09	10,548	WIBOR + margin	2023-11-30	joint contractual mortgage, assignment of rights to an insurance policy
13. Credit facility with mBank	2015-04-17	12,179	WIBOR + margin	2025-03-31	joint contractual mortgage, assignment of rights to an insurance policy
14. Credit facility with mBank	2016-08-16	2,979	WIBOR + margin	2021-07-30	joint contractual mortgage, assignment of rights to an insurance policy
15. Credit facility with ING	2014-04-15	--	WIBOR + margin	2020-04-14	joint contractual mortgage, assignment of rights to an insurance policy
16. Credit facility with ING	2014-04-15	16,672	WIBOR + margin	2022-04-14	joint contractual mortgage, assignment of rights to an insurance policy
17. Credit facility with ING	2016-04-15	12,500	WIBOR + margin	2024-04-14	joint contractual mortgage, assignment of rights to an insurance policy
18. Credit facility with ING	2018-07-03	50,000	WIBOR + margin	2026-07-02	joint contractual mortgage, assignment of rights to an insurance policy
19. Credit facility with Millennium	2018-08-09	-	WIBOR + margin	2021-08-08	joint contractual mortgage, assignment of rights to an insurance policy
20. Credit facility with Bank Millennium	2018-08-09	33,750	WIBOR + margin	2023-08-08	joint contractual mortgage, assignment of rights to an insurance policy
21. Credit facility with Bank Millennium	2019-08-08	70,000	WIBOR + margin	2024-07-21	joint contractual mortgage, assignment of rights to an insurance policy
22. Credit facility with Bank Millennium	2020-04-03	40,578	WIBOR + margin	2025-04-02	joint contractual mortgage, assignment of rights to an insurance policy
23. Borrowing from Siemens	2016-02-24	385	WIBOR + margin	2021-02-28	bill of exchange
24. Credit facility with BNP Paribas	2017-03-20	-	WIBOR + margin	2021-03-31	joint contractual mortgage, assignment of rights to an insurance policy
25. Credit facility with BNP Paribas	2017-03-20	62,857	WIBOR + margin	2025-12-31	joint contractual mortgage, assignment of rights to an insurance policy
26. Credit facility with BNP Paribas	2019-09-04	60,000	WIBOR + margin	2025-09-04	joint contractual mortgage, assignment of rights to an insurance policy
27. Credit facility with Bank Handlowy	2018-10-03	-	WIBOR + margin	2021-10-01	joint contractual mortgage, assignment of rights to an insurance policy
28. Credit facility with PKO BP	2016-10-25	10,297	WIBOR + margin	2024-10-24	joint contractual mortgage, assignment of rights to an insurance policy
29. Credit facility with mBank	2011-12-14	1,306	WIBOR + margin	2021-08-31	joint contractual mortgage, assignment of rights to an insurance policy
30. Credit facility with BZ WBK	2016-05-24	20,911	WIBOR + margin	2023-02-18	joint contractual mortgage, assignment of rights to an insurance policy
31. Credit facility with mBank	2016-08-16	17,570	WIBOR + margin	2021-07-30	joint contractual mortgage, assignment of rights to an insurance policy
32. Credit facility with ING	2016-04-15	17,844	WIBOR + margin	2024-04-14	joint contractual mortgage, assignment of rights to an insurance policy
33. Credit facility with BGŻ BNP Paribas	2018-11-13	-	WIBOR + margin	2020-11-13	joint contractual mortgage, assignment of rights to an insurance policy
34. Credit facility with PKO BP	2019-02-11	59,731	WIBOR + margin	2026-08-11	joint contractual mortgage, assignment of rights to an insurance policy
35. Credit facility with PKO BP	2020-01-02	47,917	WIBOR + margin	2023-04-02	joint contractual mortgage, assignment of rights to an insurance policy
<b>TOTAL</b>		<b>980,642</b>			

\* Balance of liabilities net of commissions.

In addition, the liabilities for loans and lease agreements also have security interests in the form of blank bills of exchange.

DINO POLSKA S.A. GROUP

Interim condensed consolidated financial statements for the 6-month period ended 30 June 2020 prepared in accordance with the International Financial Reporting Standards approved for application in the EU Additional notes  
(in thousands of PLN)

Type of liability	Date agreement signed	Outstanding liability as at 31 December 2019* (thousands of PLN)	Interest rate	Date of repayment	Collateral type
1. Credit facility with mBank	2013-11-22	1,404	WIBOR + margin	2023-10-31	joint contractual mortgage, assignment of rights to an insurance policy
2. Credit facility with mBank	2012-03-08	3,026	WIBOR + margin	2021-12-31	joint contractual mortgage, assignment of rights to an insurance policy
3. Credit facility with PKO BP	2012-01-26	-	WIBOR + margin	2019-10-28	joint contractual mortgage, assignment of rights to an insurance policy
4. Credit facility with PKO BP	2011-04-13	1,463	WIBOR + margin	2021-04-12	joint contractual mortgage, assignment of rights to an insurance policy
5. Credit facility with PKO BP	2013-05-23	21,667	WIBOR + margin	2021-12-31	joint contractual mortgage, assignment of rights to an insurance policy
6. Credit facility with PKO BP	2016-10-25	39,030	WIBOR + margin	2024-10-24	joint contractual mortgage, assignment of rights to an insurance policy
7. Credit facility with BZ WBK	2018-02-19	58,803	WIBOR + margin	2023-02-18	joint contractual mortgage, assignment of rights to an insurance policy
8. Credit facility with mBank	2014-01-09	12,141	WIBOR + margin	2023-11-30	joint contractual mortgage, assignment of rights to an insurance policy
9. Credit facility with ING	2014-04-15	20,838	WIBOR + margin	2022-04-14	joint contractual mortgage, assignment of rights to an insurance policy
10. Credit facility with Bank Millennium	2014-12-18	4,319	WIBOR + margin	2020-06-17	joint contractual mortgage, assignment of rights to an insurance policy
11. Credit facility with mBank	2015-04-17	13,461	WIBOR + margin	2025-03-31	joint contractual mortgage, assignment of rights to an insurance policy
12. Credit facility with ING	2014-04-15	-	WIBOR + margin	2020-04-14	joint contractual mortgage, assignment of rights to an insurance policy
13. Credit facility with Millennium	2018-08-09	-	WIBOR + margin	2021-08-08	joint contractual mortgage, assignment of rights to an insurance policy
14. Credit facility with mBank	2016-08-16	3,237	WIBOR + margin	2021-07-30	joint contractual mortgage, assignment of rights to an insurance policy
15. Credit facility with mBank	2016-11-04	-	WIBOR + margin	2019-10-08	joint contractual mortgage, assignment of rights to an insurance policy
16. Credit facility with Millennium	2016-05-12	18,250	WIBOR + margin	2021-05-11	joint contractual mortgage, assignment of rights to an insurance policy
17. Borrowing from Siemens	2016-02-24	611	WIBOR + margin	2021-02-28	bill of exchange
18. Credit facility with PKO BP	2016-10-25	112,941	WIBOR + margin	2025-04-24	joint contractual mortgage, assignment of rights to an insurance policy
19. Credit facility with ING	2016-04-15	14,062	WIBOR + margin	2024-04-14	joint contractual mortgage, assignment of rights to an insurance policy
20. Credit facility with BGŻ BNP Paribas	2017-03-20	-	WIBOR + margin	2019-03-19	joint contractual mortgage, assignment of rights to an insurance policy
21. Credit facility with BGŻ BNP Paribas	2017-03-20	69,524	WIBOR + margin	2025-12-31	joint contractual mortgage, assignment of rights to an insurance policy
22. Credit facility with BGŻ BNP Paribas	2018-11-13	-	WIBOR + margin	2020-11-13	statement of submitting to enforcement under art. 777
23. Credit facility with PKO BP	2018-01-15	11,493	WIBOR + margin	2024-10-24	joint contractual mortgage, assignment of rights to an insurance policy
24. Credit facility with mBank	2011-12-14	1,866	WIBOR + margin	2021-08-31	joint contractual mortgage, assignment of rights to an insurance policy
25. Credit facility with BZ WBK	2016-05-24	22,309	WIBOR + margin	2021-04-30	joint contractual mortgage, assignment of rights to an insurance policy
26. Credit facility with mBank	2016-08-16	19,370	WIBOR + margin	2021-07-30	joint contractual mortgage, assignment of rights to an insurance policy
27. Credit facility with ING	2016-04-15	20,072	WIBOR + margin	2024-04-14	joint contractual mortgage, assignment of rights to an insurance policy
28. Credit facility with ING	2018-07-03	50,000	WIBOR + margin	2026-07-02	joint contractual mortgage, assignment of rights to an insurance policy
29. Credit facility with Bank Handlowy CITI	2018-10-03	-	WIBOR + margin	2021-10-01	joint contractual mortgage, assignment of rights to an insurance policy
30. Credit facility with PKO BP	2019-02-11	75,294	WIBOR + margin	2026-08-11	joint contractual mortgage, assignment of rights to an insurance policy
31. Credit facility with Millennium	2018-08-09	37,500	WIBOR + margin	2023-08-08	joint contractual mortgage, assignment of rights to an insurance policy
32. Credit facility with Millennium	2019-08-08	20,000	WIBOR + margin	2024-07-21	joint contractual mortgage, assignment of rights to an insurance policy
33. Credit facility with PKO BP	2019-02-11	64,672	WIBOR + margin	2026-08-11	joint contractual mortgage, assignment of rights to an insurance policy
<b>TOTAL</b>		<b>717,353</b>			

\* Balance of liabilities net of commissions.

In addition, the liabilities for loans and lease agreements also have security interests in the form of blank bills of exchange.

## 17. Other significant changes

### 17.1. Non-recurring amounts and events

An atypical event in the Dino Group's business in the period from 1 January 2020 to 30 June 2020 was the epidemiological situation in Poland and the ensuing restrictions enacted by the government pertaining to the mobility of the population and how businesses function (especially in the period from March-April 2020). As a result thereof, in the middle of March 2020, the Company observed greater shopping activity among its customers who were engaged in stockpiling goods and less activity among consumers prior to the Easter Holidays (due to the restrictions mentioned above). Concurrently, chiefly in March 2020, the Company was compelled to incur certain incremental operating expenses related to the necessity of adapting to the epidemiological situation, and in particular to the necessity of phasing in a very rigorous sanitary regime in its store network and distribution centers.

The Company monitors the epidemiological situation and its impact on its business on an ongoing basis.

The Group has given consideration to the impact exerted by this situation on its asset value and it has not identified any additional related impairments. In addition, in the opinion of the Management Board, the prerequisites were not met to perform an asset impairment test, nor did the foregoing situation affect the recoverability of a deferred tax asset or the payment of liabilities. During the reporting period no changes were made to lease contracts or credit facilities, nor were any other significant amendments made to contracts with customers and suppliers. As at the date of these interim consolidated financial statements, all areas of the Company's operating activity are performing efficiently and there are no significant reasons for revising the performance targets or plans set by the Management Board for 2020.

### 17.2. Investment securities

The Group did not issue, redeem or pay down any non-equity or investment securities in the period from 1 January 2020 to 30 June 2020.

On 26 June 2019 Dino Polska issued 1,700 bonds with a nominal value of PLN 100,000 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 1.30 percentage points per annum. The maturity date was set for 26 June 2022. The bonds are secured under a surety provided by selected Dino Polska S.A. Group companies.

### 17.3. Contingent liabilities

#### 17.3.1 Litigation

No material litigation was launched in the period from 1 January 2020 to 30 June 2020 or from 1 January 2019 to 30 June 2019.

### 17.4. Obligations to incur capital expenditures

In the presented reporting period, liabilities on account of purchases of property, plant and equipment included purchases related to the further expansion of the Dino Group store network and expansion of warehouse space. As at 30 June 2020 the Group had contingent liabilities arising from concluded preliminary agreements in the amount of PLN 679,594 thousand (as at 30 June 2019: PLN 401,906 thousand).

### 17.5. Cash and cash equivalents

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

	<u>30.06.2020</u>	<u>30.06.2019</u>
Cash at bank and in hand	202,663	88,235
Short-term deposits	98,912	259,890
<b>Total</b>	<b><u>301,575</u></b>	<b><u>348,125</u></b>

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(in thousands of PLN)

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

	<i>01.01.2020- 30.06.2020</i>	<i>01.01.2019- 30.06.2019</i>
Movement in receivables resulting from the consolidated statement of financial position	33,553	(19,320)
Movement in receivables on the sale of fixed assets	(405)	704
Movement in state budget receivables	1,341	47,940
<b>Movement in receivables in the consolidated statement of cash flows</b>	<b>34,489</b>	<b>29,324</b>
	<i>01.01.2020- 30.06.2020</i>	<i>01.01.2019- 30.06.2019</i>
Movement in liabilities resulting from the consolidated statement of financial position	8,352	319,527
Movement in loans	(263,179)	(136,249)
Movement in finance lease liabilities	21,114	(66,143)
Movement in investment settlements	42,222	49,636
Movement in settlements regarding issue of debt securities	-	(170,000)
Movement in income tax liabilities	36,132	35,124
<b>Movement in liabilities in the consolidated statement of cash flows</b>	<b>(153,359)</b>	<b>31,895</b>

## **17.6. Other selected disclosures**

On 8 May 2020 Szymon Piduch, in consultation with the Company's Management Board and Supervisory Board, tendered his resignation from serving in the capacity of the Chief Executive Officer of Dino Polska S.A. and from serving as a member of the Company's Management Board with effect from the date of opening the next Ordinary Shareholder Meeting ("OSM"). The reason stated for his resignation was the intention to join the Company's Supervisory Board. His appointment to be a Supervisory Board member transpired on 2 July 2020.

On 24 June 2020 the Company's Supervisory Board adopted a resolution appointing Ms. Izabela Biadała to be a Management Board member of Dino Polska S.A.

On 23 June 2020 the Management Board of Dino Polska S.A. made the decision to commence the construction of the Company's two new distribution centers in the communities of Sieronowice in the Opolskie Voivodship and Sierpc in the Mazowieckie Voivodship ("Investment").

In connection with this Investment the Company will enter into a number of contracts with entities independent of the Company that specialize in the execution of such investments, including the entity that will play the role of general contractor. This investment will involve the comprehensive construction and fit-out of the freezer, refrigerated storage area, controlled-temperature warehouses, dry goods warehouse and social and office space with the accompanying technical infrastructure, internal roads and parking spots. The total planned warehouse space of a single distribution center will be 45 thousand square meters.

The (net) estimated investment expenditures are approximately PLN 80 million per distribution center and will be financed using the Company's own funds and bank loans. The purpose of the new distribution centers is to handle the deliveries of goods to the growing number of Dino stores and support the network's ongoing geographic expansion. The Company anticipates that the construction of the two distribution centers will be completed in 2021.

On 30 June 2020, acting pursuant to the consent given by the Company's Supervisory Board, the Management Board of Dino Polska S.A. signed an annex ("Annex") to the framework agreement for construction work executed on 3 March 2017 ("Framework Agreement") between the Company and Krot Invest KR Inżynieria spółka z

ograniczoną odpowiedzialnością S.K.A. (“General Contractor”) which the Company reported in its issue prospectus in 2017.

The Framework Agreement defines the terms and conditions according to which the orders to build the individual Dino stores the Company submits to the General Contractor are supposed to be performed. The term for which the Framework Agreement was executed has been extended from 30 June 2020 to 30 June 2025 by the power of the Annex. The fee defined in the Framework Agreement per 1 square meter of floor space of development due to the General Contractor for building a store will remain unchanged with the stipulation that by the power of the Annex a mechanism will be introduced to index this fee once a year, starting from the date of signing the Annex, using the construction and assembly price index (for the construction of buildings) published by the President of the Central Statistical Office for the year preceding the year to which the indexation applies. The other material terms and conditions of the Agreement are not subject to change.

According to the Company, signing the Annex will enable it to maintain a high level of standardization and efficiency in the investment process pertaining to the launch of new Dino stores and will make it possible to maintain the rapid rollout of the Dino network in upcoming years.

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

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

## 19. Objectives and principles of managing financial risk

The main financial instruments used by the Group include bank loans, borrowings, bonds, leases, cash and current deposits. The main objective of these instruments is to raise funding for Group’s activities. The Group also holds various other financial instruments, such as trade receivables and payables, which arise directly from its activities. The rule followed by the Group currently and throughout the 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, FX risk and credit risk. The parent company’s Management Board verifies and agrees the principles of managing each one of these types of risk.

No material changes were made to the rules of financial risk management in the 6-month period ended 30 June 2020 compared to the 2019 consolidated financial statements.

The parent company’s Management Board incorporates the Group’s positive results (including EBITDA) in its analysis of the risks ensuing from financial instruments. The Dino Group’s EBITDA was PLN 428,839 thousand in H1 2020, PLN 313,247 thousand in H1 2019 and PLN 725,426 thousand in the period from 1 January 2019 to 31 December 2019. During the last 12 months, i.e. from 1 July 2019 to 30 June 2020 the Dino Group generated EBITDA of PLN 841,018 thousand. The Dino Group defines EBITDA as earnings before interest, taxes, depreciation and amortization. This ratio is not a measure governed by IFRS.

## 20. Financial instruments

In the Group’s opinion, the fair value of cash, short-term deposits, trade receivables, trade payables, bank loans, other loans, outstanding bonds and lease liabilities does not materially deviate from their carrying amounts. In the 6-month period ended 30 June 2020, no changes were made to the fair value measurement methodology pertaining to financial instruments and no changes were made to the classification of financial assets resulting from a change of purpose or use of such assets.

### Carrying amounts of individual classes of financial instruments

*Carrying amount*

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(in thousands of PLN)

	<i>30.06.2020</i>	<i>31.12.2019</i>
<i>Financial assets – carried at amortized cost</i>		
Cash and cash equivalents	301,575	394,720
Trade and other receivables	44,570	78,123
<b>Total</b>	<b>346,145</b>	<b>472,843</b>
<i>Carrying amount</i>		
	<i>30.06.2020</i>	<i>31.12.2019</i>
<i>Non-current financial liabilities – carried at amortized cost</i>		
Interest-bearing loans and borrowings	798,075	578,755
Issue of debt securities	169,932	169,926
Lease liabilities	84,814	99,922
<b>Total</b>	<b>1,052,821</b>	<b>848,603</b>
<i>Current financial liabilities – carried at amortized cost</i>		
Interest-bearing loans and borrowings	181,564	137,705
Issue of debt securities	100,555	100,724
Lease liabilities	50,310	56,316
Trade payables	646,178	926,460
Trade payables in factoring, including programs to finance suppliers	364,614	272,013
<b>Total</b>	<b>1,343,221</b>	<b>1,493,218</b>

## 21. Discontinued activity

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

## 22. Related party transactions

The table below presents the total amounts of the transactions executed with related parties during the six-month period ended 30 June 2020 and 2019 (for sales and purchases) and as at 30 June 2020 and 31 December 2019 (for receivables and liabilities):

<i>Related party</i>	<i>Sale to related parties</i>	<i>Purchases from related parties</i>	<i>Receivables from related parties</i>	<i>Liabilities to related parties</i>	
Key managers (Management Board members) of the Group					
2020	-	-	-	-	-
2019	-	-	-	-	11
Supervisory Board					
2020	-	-	-	-	-
2019	-	-	-	-	-
	<i>Sale to related parties</i>	<i>Purchases from related parties</i>	<i>Receivables from related parties</i>	<i>Liabilities to related parties</i>	<i>Bonds</i>
<i>Parties related through the majority owner</i>					
Zakłady Mięsne “Biernacki” Tomasz Biernacki					
2020	3	159	-	12	-
2019	3	217	2	74	-
<i>BT Development BT Kapital sp. z o.o. sp.k.</i>					



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(in thousands of PLN)

	2020	40	2,147	1	13	-
	2019	7	2,069	1	973	-
<i>BT Nieruchomości sp. z o.o.</i>						
	2020	-	138	-	-	-
	2019	-	214	-	95	-
<i>BT Kapital sp. z o.o.</i>						
	2020	72	-	41	-	2,009
	2019	62	-	19	-	2,012
<i>Krot Invest KR Inżynieria sp. z o.o. SKA</i>						
	2020	480	174,368	742	82,478	-
	2019	334	161,260	480	97,547	-
<i>Krot Invest 2 KR Inżynieria sp. z o.o. sp.k.</i>						
	2020	2	9,726	-	1,255	-
	2019	1	9,228	-	4,075	-
<i>ZR 1 sp. z o.o.</i>						
	2020	1	838	18	-	-
	2019	3	346	-	262	-
<i>ZR 2 sp. z o.o.</i>						
	2020	40	1,032	1	41	-
	2019	8	557	1	320	-
<i>ZR 3 sp. z o.o.</i>						
	2020	38	1,067	-	8	-
	2019	2	874	1	490	-
<i>ZR 4 sp. z o.o.</i>						
	2020	8	1,139	-	22	-
	2019	3	732	-	395	-
<i>Zielony Rynek 5 BT Kapital sp. z o.o. sp.k.</i>						
	2020	-	2	-	2	-
<i>Zielony Rynek 6 BT Kapital sp. z o.o. sp.k.</i>						
	2020	-	195	-	2	-
	2019	-	200	-	48	-
<i>Parties related through key personnel</i>						
<i>Agrofirma Spółdzielcza</i>						
	2020	5	97	-	-	-
	2019	14	92	1	-	-
<i>TBE sp. z o.o.</i>						
	2020	2	452	-	74	-
	2019	2	476	1	140	-

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

### 23. Events after the reporting period

On 2 July 2020 the Company's Ordinary Shareholder Meeting adopted a resolution on designating the 2019 net profit totaling PLN 318,201 thousand to the Company's supplementary capital.

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

***DINO POLSKA S.A.***

**INTERIM CONDENSED FINANCIAL STATEMENTS  
FOR THE 6-MONTH PERIOD ENDED 30 JUNE 2020  
WITH THE INDEPENDENT AUDITOR'S REPORT ON ITS REVIEW**

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## FINANCIAL HIGHLIGHTS

	<i>PLN 000s</i>		<i>EUR 000s*</i>	
	<i>01.01.2020- 30.06.2020</i>	<i>01.01.2019- 30.06.2019</i>	<i>01.01.2020- 30.06.2020</i>	<i>01.01.2019- 30.06.2019</i>
Sales revenue	4,678,866	3,491,851	1,053,490	814,331
Operating profit	257,360	188,632	57,947	43,991
Profit before tax	233,804	164,048	52,643	38,257
Net profit	189,141	133,434	42,587	31,118
Number of shares	98,040,000	98,040,000	98,040,000	98,040,000
Basic / diluted earnings per share in PLN, EUR	1.93	1.36	0.43	0.32
Cash flow from operating activities	78,981	207,297	17,783	48,344
Cash flow from investing activities	(346,728)	(346,099)	(78,069)	(80,713)
Cash flow from financing activities	169,781	205,333	38,228	47,885
Net change in cash and cash equivalents	(97,966)	66,531	(22,058)	15,516

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

- NBP's average exchange rate for H1 2020: PLN 4.4413/EUR;
- NBP's average exchange rate for H1 2019: PLN 4.2880/EUR.

	<i>PLN 000s</i>		<i>EUR 000s*</i>	
	<i>30.06.2020</i>	<i>31.12.2019</i>	<i>30.06.2020</i>	<i>31.12.2019</i>
Total assets	4,141,163	3,918,286	927,264	920,109
Total non-current assets	2,950,046	2,660,390	660,557	624,725
Total current assets	1,191,117	1,257,896	266,708	295,385
Equity	1,437,312	1,248,171	321,834	293,101
Share capital	9,804	9,804	2,195	2,302
Non-current liabilities	858,958	681,932	192,333	160,134
Current liabilities	1,753,020	1,922,179	392,526	451,375

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

- NBP's average exchange rate as at 30 June 2020: 4.4660 PLN/EUR;
- NBP's average exchange rate as at 31 December 2019: 4.2585 PLN/EUR.

## INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS

**for the 6-month period ended 30 June 2020**

<i>(in thousands of PLN)</i>	<i>Note</i>	<b>01.01.2020- 30.06.2020</b>	<b>01.01.2019- 30.06.2019</b>
		<i>(unaudited)</i>	<i>(unaudited)</i>
<b>A. Net revenues on sales and equivalents</b>		<b>4,678,866</b>	<b>3,491,851</b>
- from related entities		3,943	2,906
I. Net revenue on sales of products		8,964	7,002
IV. Net revenue on sales of goods and materials		4,669,902	3,484,849
<b>B. Operating expenses</b>		<b>4,421,627</b>	<b>3,301,126</b>
I. Depreciation and amortization		68,232	53,260
II. Consumption of materials and energy		68,176	51,025
III. External services		222,066	189,954
IV. Taxes and fees		21,041	15,093
V. Employee benefits		419,643	299,603
VI. Social security and other benefits, of which:		94,702	64,419
- pension		39,538	28,751
VII. Other costs by nature		17,350	13,584
VIII. Cost of goods and materials sold		3,510,417	2,614,188
<b>C. Sales profit (loss) (A – B)</b>		<b>257,239</b>	<b>190,725</b>
<b>D. Other operating income</b>	<b>8.1</b>	<b>3,152</b>	<b>2,760</b>
I. Profit on disposal of non-financial non-current assets		-	-
II. Grants		101	101
III. Revaluation of non-financial assets		-	-
IV. Other operating income		3,051	2,659
<b>E. Other operating expenses</b>	<b>8.2</b>	<b>3,031</b>	<b>4,853</b>
I. Loss on disposal of non-financial non-current assets		1,123	1,308
II. Revaluation of non-financial assets		-	-
III. Other operating expenses		1,908	3,545
<b>F. Operating profit (loss) (C+D-E)</b>		<b>257,360</b>	<b>188,632</b>
<b>G. Financial income</b>	<b>8.3</b>	<b>5,212</b>	<b>3,713</b>
I. Dividends and profit sharing		-	-
a) from related entities, of which:		-	-
- in which the entity has capital exposure		-	-
II. Interest, including:		3,182	3,661
- from related entities		2,830	3,584
III. Profit on disposal of financial assets		-	-
IV. Revaluation of financial assets		-	-
V. Other		2,030	52
<b>H. Financial expenses</b>	<b>8.4</b>	<b>28,768</b>	<b>28,297</b>
I. Interest, including:		25,626	25,184
- to related entities		549	67
II. Loss on disposal of financial assets		-	-
III. Revaluation of financial assets		-	-
IV. Other		3,142	3,113
<b>I. Profit / (loss) before tax (F+G-H)</b>		<b>233,804</b>	<b>164,048</b>
<b>J. Income tax</b>	<b>9</b>	<b>44,663</b>	<b>30,614</b>
<b>K. Other mandatory decreases of profit (increases of loss)</b>		-	-
<b>L. Net profit (loss) (I-J-K)</b>		<b>189,141</b>	<b>133,434</b>

## INTERIM CONDENSED BALANCE SHEET

as at 30 June 2020

(in thousands of PLN)

	Note	30.06.2020	31.12.2019
<b>Assets</b>		<i>(unaudited)</i>	
<b>A. Non-current assets</b>		<b>2,950,046</b>	<b>2,660,390</b>
<b>I. Intangible assets</b>	<b>11</b>	<b>26,196</b>	<b>26,024</b>
1. Costs of completed development work		-	-
2. Goodwill		-	-
3. Other intangible assets		26,196	26,024
<b>II. Property, plant and equipment</b>	<b>10</b>	<b>2,131,539</b>	<b>1,848,345</b>
1. Fixed assets		1,977,740	1,763,005
a) land (including the right of usufruct to land)		393,700	335,637
b) buildings, premises, rights to premises and civil and marine engineering facilities		1,101,074	971,051
c) technical equipment and machinery		278,214	256,928
d) means of transport		60,821	62,526
e) other fixed assets		143,931	136,863
2. Fixed assets under construction		153,799	85,340
<b>III. Non-current receivables</b>		-	-
<b>IV. Non-current investments</b>		<b>755,835</b>	<b>755,835</b>
1. Real estate		-	-
2. Intangible assets		-	-
3. Long-term financial assets	12	755,835	755,835
a) in related entities		755,835	755,835
- ownership interests or shares		755,835	755,835
<b>V. Non-current deferred revenue</b>		<b>36,476</b>	<b>30,186</b>
1. Deferred tax assets	9	36,476	30,186
<b>B. Current assets</b>		<b>1,191,117</b>	<b>1,257,896</b>
<b>I. Inventories</b>	<b>13</b>	<b>680,893</b>	<b>601,195</b>
1. Materials		-	-
2. Semi-finished goods and work in progress		-	-
3. Finished products		-	-
4. Merchandise		680,893	601,195
<b>II. Current receivables</b>		<b>70,625</b>	<b>100,447</b>
1. Receivables from related entities	22	1,055	1,021
a) for goods and services with a term of payment:		1,038	991
- up to 12 months		1,038	991
b) other		17	30
2. Receivables from other entities to which the company has equity exposure		-	-
3. Receivables from other entities		69,570	99,426
a) for goods and services with a term of payment:		21,598	44,591
- up to 12 months		21,598	44,591
b) on taxes, grants, customs duties, social security and health insurance and other public dues		28,870	25,683
c) other		19,102	29,152
<b>III. Current investments</b>		<b>426,502</b>	<b>554,276</b>
1. Current financial assets		426,502	554,276
a) in related entities	22	146,731	176,539
- loans granted		146,683	176,539
- other current financial assets		48	-
b) in other entities		-	-
c) cash and other cash assets	18.6	279,771	377,737
- cash on hand and on accounts		190,088	79,330
- other cash		89,683	298,407
<b>IV. Current deferred revenue</b>		<b>13,097</b>	<b>1,978</b>
<b>C. Contributions due to share capital</b>		-	-
<b>D. Treasury stock</b>		-	-
<b>Total assets</b>		<b>4,141,163</b>	<b>3,918,286</b>

*DINO POLSKA S.A.*  
Interim condensed financial statements for the 6-month period ended 30 June 2020  
(in thousands of PLN)

<i>(in thousands of PLN)</i>	<i>Note</i>	<b>30.06.2020</b>	<b>31.12.2019</b>
<b>Equity and liabilities</b>		<i>(unaudited)</i>	
<b>A. Equity</b>		<b>1,437,312</b>	<b>1,248,171</b>
<b>I. Share capital</b>	<b>15</b>	<b>9,804</b>	<b>9,804</b>
<b>II. Supplementary capital</b>		<b>889,818</b>	<b>889,818</b>
<b>III. Revaluation reserve (fund)</b>		-	-
<b>IV. Other reserve capital (fund)</b>		-	-
<b>V. Profit (loss) brought forward</b>		<b>318,201</b>	-
<b>VI. Net profit (loss)</b>		<b>189,141</b>	<b>318,201</b>
<b>VII. Other items of equity</b>		<b>30,348</b>	<b>30,348</b>
<b>VIII. Charges to net profit during the financial year (negative figure)</b>		-	-
<b>B. Liabilities and provisions for liabilities</b>		<b>2,703,851</b>	<b>2,670,115</b>
<b>I. Provisions for liabilities</b>	<b>16</b>	<b>55,780</b>	<b>39,639</b>
1. Provision for deferred tax liability	9	53,255	37,114
2. Provision for pension and similar benefits	16	2,525	2,525
- non-current		1,621	1,621
- current		904	904
3. Other provisions		-	-
<b>II. Non-current liabilities</b>		<b>858,958</b>	<b>681,932</b>
1. To related entities		-	-
2. To other entities in which the company has equity exposure		-	-
3. To other entities		858,958	681,932
a) bank loans and borrowings	17	655,075	463,217
b) for issue of debt securities	17	169,932	169,926
c) other financial liabilities	17	33,951	48,789
d) liabilities for bills of exchange		-	-
e) other		-	-
<b>III. Current liabilities</b>		<b>1,753,020</b>	<b>1,922,179</b>
1. Liabilities to related entities	22	376,067	387,921
a) for goods and services with a term of being due and payable:		245,740	237,852
- up to 12 months		245,740	237,852
- above 12 months		-	-
b) other		130,327	150,069
2. Liabilities to other entities in which the company has equity exposure		-	-
3. Liabilities to other entities		1,376,953	1,534,258
a) bank loans and borrowings	17	148,986	113,461
b) for issue of debt securities	17	100,555	100,724
c) other financial liabilities	17	37,254	43,337
d) for goods and services with a term of being due and payable:		903,933	1,076,628
- up to 12 months		903,933	1,076,628
- above 12 months		-	-
e) advances received for supplies and services		-	-
f) liabilities for bills of exchange		-	-
g) on taxes, customs duties, social security and health insurance or other public dues		93,422	112,531
h) payroll		68,709	53,741
i) other		24,094	33,836
4. Special-purpose funds		-	-
<b>IV. Accruals and deferred revenue</b>		<b>36,093</b>	<b>26,365</b>
1. Negative goodwill		-	-
2. Other deferred revenue		36,093	26,365
- non-current		-	34
- current		36,093	26,331
<b>Total liabilities and equity</b>		<b>4,141,163</b>	<b>3,918,286</b>

## INTERIM CONDENSED STATEMENT OF CASH FLOWS

**for the 6-month period ended 30 June 2020**

(in thousands of PLN)

	Note	01.01.2020- 30.06.2020	01.01.2019- 30.06.2019
		(unaudited)	(unaudited)
<b>A. Cash flow from operating activities</b>			
<b>I. Net profit (loss)</b>		<b>189,141</b>	<b>133,434</b>
<b>II. Total adjustments</b>		<b>(110,160)</b>	<b>73,811</b>
1. Depreciation and amortization		68,232	53,260
2. Gains (losses) arising from changes in foreign currency exchange rates		-	-
3. Interest and profit sharing (dividends)	18.6	22,014	21,645
4. Profit (loss) on investing activity		1,123	1,308
5. Movement in provisions		16,140	6,874
6. Movement in inventories		(79,698)	(33,125)
7. Movement in receivables	18.6	29,392	20,578
8. Movement in current liabilities, except for loans and borrowings	18.6	(159,682)	8,588
9. Movement in prepayments, accruals and deferred revenue		(7,681)	(5,317)
10. Other adjustments		-	-
<b>III. Net cash flow from operating activities (I±II)</b>		<b>78,981</b>	<b>207,245</b>
<b>B. Cash flow from investing activities</b>			
<b>I. Inflows</b>		<b>42,818</b>	<b>83,185</b>
1. Sale of intangible assets and property, plant and equipment		129	1,911
2. Sale of investments in real property and intangible assets		-	-
3. From financial assets, of which:		42,689	81,274
a) in related entities		42,337	81,197
b) in other entities		352	77
- interest		352	77
<b>II. Outflows</b>		<b>(389,546)</b>	<b>(429,284)</b>
1. Purchase of intangible assets and property, plant and equipment		(377,446)	(321,679)
2. Investments in real property and intangible assets		-	-
3. Towards financial assets, of which:		(12,100)	(107,605)
a) in related entities		(12,100)	(107,605)
<b>III. Net cash flow from investing activities (I-II)</b>		<b>(346,728)</b>	<b>(346,099)</b>
<b>C. Cash flow from financing activities</b>			
<b>I. Inflows</b>		<b>301,310</b>	<b>408,706</b>
1. Net inflows on the delivery of shares (share issue) and other equity instruments and capital contributions		-	-
2. Loans and borrowings		301,310	238,706
3. Issue of debt securities		-	170,000
4. Other financial proceeds		-	-
<b>II. Outflows</b>		<b>(131,529)</b>	<b>(203,373)</b>
1. Purchase of treasury shares		-	-
2. Dividends and other distributions to owners		-	-
3. Profit-sharing expenditures other than distributions to owners		-	-
4. Repayment of loans and borrowings		(82,327)	(152,652)
5. Redemption of debt securities		-	-
6. On account of other financial liabilities		-	-
7. Payment of finance lease liabilities		(22,883)	(20,429)
8. Interest		(23,297)	(27,356)
9. Other financial expenditures		(3,022)	(2,936)
<b>III. Net cash from financing activities (I-II)</b>		<b>169,781</b>	<b>205,333</b>
<b>D. Total net cash flow (A.III±B.III±C.III)</b>		<b>(97,966)</b>	<b>66,479</b>
<b>E. Balance sheet movement in cash, including</b>		<b>(97,966)</b>	<b>66,479</b>
<b>F. Cash at the beginning of the period</b>		<b>377,737</b>	<b>259,384</b>
<b>G. Cash at the end of the period (F±D), including</b>	<b>18.6</b>	<b>279,771</b>	<b>325,863</b>
- restricted cash		490	35



## INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY

for the 6-month period ended 30 June 2020

(in thousands of PLN)

	<i>01.01.2020- 30.06.2020</i>	<i>01.01.2019- 31.12.2019</i>	<i>01.01.2019- 30.06.2019</i>
	<i>(unaudited)</i>		<i>(unaudited)</i>
<b>I. Equity at the beginning of the period (OB)</b>	<b>1,248,171</b>	<b>929,970</b>	<b>929,970</b>
<b>I.a. Equity at the beginning of the period (OB), adjusted</b>	<b>1,248,171</b>	<b>929,970</b>	<b>929,970</b>
1. Share capital at the beginning of the period	9,804	9,804	9,804
1.1. Movement in share capital	-	-	-
<b>1.2. Share capital at the end of the period</b>	<b>9,804</b>	<b>9,804</b>	<b>9,804</b>
2. Supplementary capital at the beginning of the period	889,818	681,260	681,260
2.1. Changes to supplementary capital	-	208,558	208,558
(i) increase	-	208,558	208,558
- profit distribution	-	208,558	208,558
b) decrease	-	-	-
<b>2.2. Balance of supplementary capital at the end of the period</b>	<b>889,818</b>	<b>889,818</b>	<b>889,818</b>
3. Revaluation reserve at the beginning of the period	-	-	-
3.1. Changes in the revaluation reserve	-	-	-
<b>3.2. Revaluation reserve at the end of the period</b>	<b>-</b>	<b>-</b>	<b>-</b>
4. Other reserve capital at the beginning of the period	-	-	-
4.1. Change in other reserve capital	-	-	-
<b>4.2. Other reserve capital at the end of the period</b>	<b>-</b>	<b>-</b>	<b>-</b>
5. Profit (loss) brought forward at the beginning of the period	318,201	208,558	208,558
5.1. Profit brought forward at the beginning of the period	318,201	208,558	208,558
5.2. Profit brought forward at the beginning of the period, adjusted	318,201	208,558	208,558
(i) increase	-	-	-
b) decrease	-	(208,558)	(208,558)
- distribution of profits brought forward	-	(208,558)	(208,558)
5.3. Profit brought forward at the end of the period	318,201	-	-
5.4. Loss brought forward at the beginning of the period	-	-	-
5.5. Loss brought forward at the beginning of the period, adjusted	-	-	-
(i) increase	-	-	-
b) decrease	-	-	-
5.6. Losses brought forward at the end of the period	-	-	-
<b>5.7. Profit (loss) brought forward at the end of the period</b>	<b>318,201</b>	<b>-</b>	<b>-</b>
<b>6. Net result</b>	<b>189,141</b>	<b>318,201</b>	<b>133,434</b>
a) net profit	189,141	318,201	133,434
b) net loss	-	-	-
c) charges to profit	-	-	-
<b>7. Other items of equity at the beginning of the period</b>	<b>30,348</b>	<b>31,783</b>	<b>31,783</b>
7.1 Change in other items of equity	-	(1,435)	(1,435)
(i) increase	-	(1,435)	(1,435)
- effect of settlement of the merger with a subsidiary	-	(1,435)	(1,435)
<b>7. Other items of equity at the end of the period</b>	<b>30,348</b>	<b>30,348</b>	<b>30,348</b>
<b>8. Charges to net profit during the financial year (negative figure)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>II. Equity at the end of the period (CB)</b>	<b>1,437,312</b>	<b>1,248,171</b>	<b>1,063,404</b>
<b>III. Equity after considering the proposed distribution of profits (coverage of losses)</b>	<b>1,437,312</b>	<b>1,248,171</b>	<b>1,063,404</b>

## **ADDITIONAL NOTES**

### **1. General information**

Dino Polska S.A. (“Company”) is a joint stock company with its registered office in Krotoszyn whose shares are publicly traded. The Company’s interim condensed financial statements span the 6-month period ended 30 June 2020 and contain comparative data for the 6-month period ended 30 June 2019 and as at 31 December 2019.

The Company is entered in the register of commercial undertakings of the National Court Register kept by the District Court, 9th Commercial Division of the National Court Register under file number KRS 0000408273. The Company has been given the following statistical number: REGON 300820828.

The Company’s duration is unlimited.

According to the Company’s articles of association, the Company’s core business is:

1. 47.11.Z Retail sale in non-specialized stores with food, beverages or tobacco products predominating,
2. 46.39.Z Non-specialized wholesale of food, beverages and tobacco products.

The Company’s interim condensed financial statements for the 6-month period ended 30 June 2020 have been approved for publication by the Management Board.

### **2. Basis for preparation of the interim condensed financial statements**

These interim condensed financial statements were drawn up pursuant to the provisions of the Accounting Act of 29 September 1994 (hereinafter “Accounting Act”) and according to the requirements set forth in the Finance Minister’s Regulation of 29 March 2018 on the current and periodic information transmitted by securities issuers (Journal of Laws of 2018, Item 757).

These interim condensed financial statements do not contain all the information and disclosures required in annual financial statements and should be read jointly with the Company’s financial statements for the year ended 31 December 2019 and approved for publication on 12 March 2020.

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

These interim condensed financial statements were drawn up under the assumption that the Company remains a going concern for at least 12 months after the balance sheet date, i.e. after 30 June 2020. As at 30 June 2020, the Group presented an excess of current liabilities over current assets, which is typical for the retail industry and its seasonality, where a predominant part of sales is made for cash, inventories are minimized and suppliers offer deferred payment terms. At the same time, the Company intensively develops its network using free cash and funding from bank loans to increase the value of the investments. Conditions precedent related to the loan agreements are monitored on an ongoing basis and as of now there is no risk of termination of these agreements by the banks. The Company monitors the epidemiological situation and its impact on its business on an ongoing basis. As at the date of these interim financial statements, all areas of the Company’s operating activity are performing efficiently and there are no significant reasons for revising the performance targets or plans set by the Management Board for 2020, nor has the existence been ascertained of any circumstances indicating a threat to the Company continuing its operation in the upcoming 12 months after the balance sheet date due to the intended or forced discontinuation or material limitation of its operation to date.

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

### **3. Significant accounting principles (policies)**

The accounting principles (policies) used to draw up the interim condensed financial statements are consistent with the ones that were used to draw up the Company’s annual financial statements for the year that began on 1 January 2019.

#### **4. The differences in the values of the disclosed data and the material differences pertaining to the accepted accounting standards (policies) between the financial statements drawn up in accordance with Polish Accounting Standards and the financial statements drawn up according to IFRS**

The Company is the Group's parent company, which has an obligation to prepare consolidated financial statements according to the IFRS standards endorsed by the EU. The Group in which the Company is the parent company prepared its first annual consolidated financial statements compliant with IFRS endorsed by the EU for the financial year ended 31 December 2013. The Group selected 1 January 2013 as the date of transition to IFRS.

The Company's date of transition to IFRS cannot be determined definitively because the Company has not made a decision on that date, nor has it prepared its first financial statements compliant with IFRS endorsed by the EU. Had the financial statements been prepared in accordance with IFRS, the main differences between the accounting standards accepted for the attached financial statements and IFRS, under the assumption that the date of transition to IFRS is 1 January 2013, would pertain in particular to the following areas:

- determination of the residual value of fixed assets,
- separation of components and determination of depreciation charges for the actual periods of use,
- retraction of the calculated depreciation charges for trademarks as of the date of the Group's transition to IFRS,
- recognition of right-of-use assets and lease liabilities under IFRS 16.

The presentation of some line items of the financial statements may differ between Polish Accounting Standards and IFRS. The differences in presentation do not affect the Company's equity and net result. The components of the various line items of the financial statements and the scope of additional information to the financial statements according to the Polish Accounting Standards and IFRS may differ to a material degree.

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

<b>Equity according to PAS</b>	<b>1,437,312</b>
Adjusted depreciation and amortization on account of residual value	1,626
Adjusted depreciation and amortization on account of the non-recurring retirement of fixed assets	12
Adjusted depreciation and amortization on account of the separation of components	(1,503)
Adjustment - amortization of trademarks	6,642
Adjustment - lease of fixed assets (IFRS 16)	(6,839)
<b>Equity according to IFRS</b>	<b>1,437,250</b>
<b>Net profit according to PAS</b>	<b>189,141</b>
Adjusted depreciation and amortization on account of residual value	133
Adjusted depreciation and amortization on account of the non-recurring retirement of fixed assets	(34)
Adjusted depreciation and amortization on account of the separation of components	(311)
Adjustment - amortization of trademarks	391
Adjustment - lease of fixed assets (IFRS 16)	(1,771)
<b>Net profit according to IFRS</b>	<b>187,549</b>
<b>Other comprehensive income</b>	<b>-</b>

The identification and measurement of these differences require the preparation of estimates and assumptions that do affect the disclosed figures. Even though the accepted assumptions and estimates are based on the Company's

best knowledge, the actual figures may vary from the anticipated figures. This note identifying the major areas of difference between Polish Accounting Standards and IFRS has been drawn up on the basis of IFRS in force as at 30 June 2020 and under the assumption that the date for transition to IFRS is 1 January 2013. Since work is still in progress on more standards and amending the current standards it is possible that the standards according to which the Company will prepare its first financial statements complying with IFRS will differ from the standards applicable to the preparation of this note. The assumption concerning the date as of which the values of assets and liabilities would be determined in the Company's financial statements complying with IFRS stems from the option for the Management Board to utilize the exemption contemplated by paragraph 24 of IFRS 1, according to which the Company may accept the values carried in the parent company's consolidated financial statements compliant with IFRS on the basis of the parent company's date of transition to IFRS, i.e. 1 January 2013; however, the Company's Management Board may in any event alter that decision and it may accept its own date for the transition to applying IFRS.

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

## 5. Change of estimates and corrections of errors

No change of estimates was made in the 6-month period ended 30 June 2020 versus 31 December 2019.

## 6. Business seasonality

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

## 7. Dividends distributed and proposed for distribution

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

## 8. Revenues and costs

### 8.1. Other operating income

	<u>01.01.2020-</u> <u>30.06.2020</u>	<u>01.01.2019-</u> <u>30.06.2019</u>
Grants	101	101
Other operating income, including:	3,051	2,659
- received payments for damages	537	424
- income for making timely payments (0.3%)	67	67
- revenues on the sales of PMEF certificates	76	-
- other	2,371	2,168
<b>Total other operating income</b>	<b><u>3,152</u></b>	<b><u>2,760</u></b>

## 8.2. Other operating expenses

	<i>01.01.2020- 30.06.2020</i>	<i>01.01.2019- 30.06.2019</i>
Loss on disposal of non-financial non-current assets, including:	1,123	1,308
- loss on the disposal of fixed assets and intangible assets	1,123	1,308
Other operating expenses, including:	1,908	3,545
- consequences of theft	415	142
- donations	276	157
- other	948	3,135
- written off receivables	269	111
<b>Total other operating expenses</b>	<b>3,031</b>	<b>4,853</b>

## 8.3. Financial income

	<i>01.01.2020- 30.06.2020</i>	<i>01.01.2019- 30.06.2019</i>
Interest, including:	3,182	3,661
- interest from related companies	2,830	3,584
- bank interest	352	77
Other, including:	2,030	52
- foreign exchange gains and losses	1,982	52
- other financial income (sureties)	48	-
<b>Total financial income</b>	<b>5,212</b>	<b>3,713</b>

## 8.4. Financial expenses

	<i>01.01.2020- 30.06.2020</i>	<i>01.01.2019- 30.06.2019</i>
Interest, including:	25,626	25,184
- interest paid to related companies	549	67
- interest on trade payables	10,420	11,121
- interest paid to business partners	50	19
- bank interest	9,762	10,788
- interest on bonds	3,676	1,554
- interest on lease agreements	1,169	1,635
Other, including:	3,142	3,113
- other financial expenses (commissions, sureties)	3,142	3,113
<b>Total financial expenses</b>	<b>28,768</b>	<b>28,297</b>

## 9. Income tax

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

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	<i>01.01.2020- 30.06.2020</i>	<i>01.01.2019- 30.06.2019</i>
Profit before tax	233,804	164,048
Tax at the statutory tax rate in Poland at 19% (comparative period: 19%)	44,423	31,169
Income and expense items that are never taxable and other adjustments	240	(555)
Tax at the effective tax rate	44,663	30,614
Income tax (expense) recognized in profit or loss	44,663	30,614

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

	<i>Balance sheet</i>		<i>Profit and loss account</i>	
	<i>30.06.2020</i>	<i>31.12.2019</i>	<i>30.06.2020</i>	<i>30.06.2019</i>
<i>Deferred tax liability</i>				
Accelerated tax depreciation	27,779	25,298	2,481	3,173
Accrued interest unpaid as at the balance sheet date	2,087	1,756	331	(513)
Deferred income	23,389	10,052	13,337	4,251
Foreign exchange gains	-	8	(8)	(37)
<b>Deferred tax liability</b>	<b>53,255</b>	<b>37,114</b>		
<i>Deferred tax assets</i>				
Provisions for jubilee awards and retirement severance benefits	480	480	-	-
Provision for unused holiday leave	6,776	4,952	1,824	905
Provision for employee benefits / bonuses	1,927	877	1,050	(94)
Mandate contracts paid in the subsequent year	169	150	19	(24)
Social security contributions	5,359	4,452	907	474
Provision reducing inventories	17,368	15,915	1,453	(57)
Provision for interest to be paid	2,406	2,350	56	801
Provision for other costs	1,991	1,009	982	407
Other (including foreign exchange losses, impairment losses for receivables)	-	1	(1)	(19)
<b>Deferred tax assets</b>	<b>36,476</b>	<b>30,186</b>		
<b>Deferred tax expense</b>			<b>9,851</b>	<b>4,481</b>

The details of transactions and tax risks were presented in the 2019 financial statements (note 26).

## 10. Property, plant and equipment

### Purchase and sale

In the 6-month period ended 30 June 2020 the Company purchased property, plant and equipment worth PLN 350,011 thousand (in the 6-month period ended 30 June 2019: PLN 325,585 thousand).

In the 6-month period ended 30 June 2020 the Company liquidated and sold property, plant and equipment whose total net value was PLN 1,252 thousand (in the 6-month period ended 30 June 2019: PLN 1,844 thousand).

## 11. Intangible assets

### Purchase and sale

In the 6-month period ended 30 June 2020 the Company purchased intangible assets worth PLN 2,845 thousand (PLN 5,287 thousand in 2019).

## 12. Investments in subsidiaries, associates and co-subsidiaries

No changes transpired in investments in subsidiaries, associates and co-subsidiaries in the period from 1 January 2020 to 30 June 2020.

On 13 May 2019, the share capital of a subsidiary doing business as Centrum Wynajmu Nieruchomości sp. z o.o. was raised from PLN 50,000.00 to PLN 179,000.00 by creating 129 new shares. All the shares were subscribed for by Dino Polska S.A. in exchange for a cash contribution in the amount of PLN 28,400,000.00.

## 13. Inventories

	<i>30.06.2020</i>	<i>31.12.2019</i>
Products (at purchase price)	680,893	601,195
<b>Total inventory at net purchase price</b>	<b>680,893</b>	<b>601,195</b>

In the 6-month period ended 30 June 2020 the Company did not establish any impairment losses for inventories. The Company periodically takes stock of its inventories. To state their current value at the end of the period it prepares an estimate of the provision for inventories.

## 14. Impairment losses for receivables

	<i>Impairment losses for non-current receivables</i>	<i>Impairment losses for current receivables</i>
<b>As at 1 January 2020</b>	-	<b>188</b>
Increases	-	269
- impairment losses for settlements	-	269
Utilization	-	(59)
- impairment losses for settlements	-	(59)
Reversal	-	(2)
- impairment losses for settlements	-	(2)
<b>As at 30 June 2020</b>	-	<b>396</b>
	<i>Impairment losses for non-current receivables</i>	<i>Impairment losses for current receivables</i>
<b>As at 1 January 2019</b>	-	<b>224</b>
Increases	-	127
- impairment losses for settlements	-	127
Utilization	-	(162)
- impairment losses for settlements	-	(162)
Reversal	-	(1)
- impairment losses for settlements	-	(1)
<b>As at 31 December 2019</b>	-	<b>188</b>

## 15. Capital

As at 30 June 2020 the Company's share capital was PLN 9,804 thousand and was divided into 98,040,000 shares with a nominal value of PLN 0.10 each.

As at 31 December 2019 the Company's share capital was PLN 9,804 thousand and was divided into 98,040,000 shares with a nominal value of PLN 0.10 each.

As at the balance sheet date, the ownership structure of the Company's share capital was as follows:

### 30 June 2020

	<i>Number of shares and number of votes at the Shareholder Meeting</i>	<i>Share in the share capital and in votes at the Shareholder Meeting</i>
Tomasz Biernacki	50,160,000	51.10%
Other shareholders	47,880,000	48.90%
<b>Total</b>	<b>98,040,000</b>	<b>100.00%</b>

### 31 December 2019

	<i>Number of shares and number of votes at the Shareholder Meeting</i>	<i>Share in the share capital and in votes at the Shareholder Meeting</i>
Tomasz Biernacki	50,103,000	51.10%
Other shareholders	47,937,000	48.90%
<b>Total</b>	<b>98,040,000</b>	<b>100.00%</b>

## 16. Provisions

	<i>Deferred tax liability</i>	<i>Provision for pension and disability benefits</i>	<i>Total</i>
<b>As at 1 January 2020</b>	<b>37,114</b>	<b>2,525</b>	<b>39,639</b>
Increases	16,141	-	16,141
Utilization	-	-	-
<b>As at 30 June 2020, including:</b>	<b>53,255</b>	<b>2,525</b>	<b>55,780</b>
Long-term provisions	53,255	1,621	<b>54,876</b>
Short-term provisions	-	904	<b>904</b>
	<i>Deferred tax liability</i>	<i>Provision for pension and similar benefits</i>	<i>Total</i>
<b>As at 1 January 2019</b>	<b>27,793</b>	<b>1,877</b>	<b>29,670</b>
Increases	-	648	648
Reversal	9,321	-	9,321
<b>As at 31 December 2019, including:</b>	<b>37,114</b>	<b>2,525</b>	<b>39,639</b>
Non-current	37,114	1,621	<b>38,735</b>
Current	-	904	<b>904</b>



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

		<u>30.06.2020</u>	<u>31.12.2019</u>
<b>Current</b>			
Lease liabilities		37,254	43,337
Investment loans		123,947	93,007
Loans to finance current activity		24,654	19,998
Borrowing		385	456
Issue of debt securities	18.2	100,555	100,724
		<b><u>286,795</u></b>	<b><u>257,522</u></b>
<b>Non-current</b>			
Lease liabilities		33,951	48,789
Investment loans		535,402	402,990
Loans to finance current activity		119,673	60,071
Borrowing		-	156
Issue of debt securities	18.2	169,932	169,926
		<b><u>858,958</u></b>	<b><u>681,932</u></b>

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<i>Type of liability</i>	<i>Date agreement signed</i>	<i>Outstanding liability as at 30 June 2020* (thousands of PLN)</i>	<i>Interest rate</i>	<i>Date of repayment</i>	<i>Collateral type</i>
1. Credit facility with PKO BP	2012-01-26	-	WIBOR + margin	2020-10-30	joint contractual mortgage, assignment of rights to an insurance policy
2. Credit facility with PKO BP	2016-10-25	34,922	WIBOR + margin	2024-10-24	joint contractual mortgage, assignment of rights to an insurance policy
3. Credit facility with PKO BP	2011-04-13	905	WIBOR + margin	2021-04-12	joint contractual mortgage, assignment of rights to an insurance policy
4. Credit facility with PKO BP	2013-05-23	16,250	WIBOR + margin	2021-12-31	joint contractual mortgage, assignment of rights to an insurance policy
5. Credit facility with PKO BP	2016-10-25	102,353	WIBOR + margin	2025-04-24	joint contractual mortgage, assignment of rights to an insurance policy
6. Credit facility with PKO BP	2019-02-11	69,647	WIBOR + margin	2026-08-11	joint contractual mortgage, assignment of rights to an insurance policy
7. Credit facility with PKO BP	2020-02-07	150,000	WIBOR + margin	2023-11-06	joint contractual mortgage, assignment of rights to an insurance policy
8. Credit facility with Santander	2018-02-19	55,050	WIBOR + margin	2023-02-18	joint contractual mortgage, assignment of rights to an insurance policy
9. Credit facility with mBank	2016-11-04	-	WIBOR + margin	2022-10-06	joint contractual mortgage, assignment of rights to an insurance policy
10. Credit facility with mBank	2012-03-08	2,270	WIBOR + margin	2021-12-31	joint contractual mortgage, assignment of rights to an insurance policy
11. Credit facility with mBank	2013-11-22	1221	WIBOR + margin	2023-10-31	joint contractual mortgage, assignment of rights to an insurance policy
12. Credit facility with mBank	2014-01-09	10,548	WIBOR + margin	2023-11-30	joint contractual mortgage, assignment of rights to an insurance policy
13. Credit facility with mBank	2015-04-17	12179	WIBOR + margin	2025-03-31	joint contractual mortgage, assignment of rights to an insurance policy
14. Credit facility with mBank	2016-08-16	2,979	WIBOR + margin	2021-07-30	joint contractual mortgage, assignment of rights to an insurance policy
15. Credit facility with ING	2014-04-15	-	WIBOR + margin	2020-04-14	joint contractual mortgage, assignment of rights to an insurance policy
16. Credit facility with ING	2014-04-15	16,672	WIBOR + margin	2022-04-14	joint contractual mortgage, assignment of rights to an insurance policy
17. Credit facility with ING	2016-04-15	12,500	WIBOR + margin	2024-04-14	joint contractual mortgage, assignment of rights to an insurance policy
18. Credit facility with ING	2018-07-03	50000	WIBOR + margin	2026-07-02	joint contractual mortgage, assignment of rights to an insurance policy
19. Credit facility with Millennium	2018-08-09	-	WIBOR + margin	2021-08-08	joint contractual mortgage, assignment of rights to an insurance policy
20. Credit facility with Bank Millennium	2018-08-09	33,750	WIBOR + margin	2023-08-08	joint contractual mortgage, assignment of rights to an insurance policy
21. Credit facility with Bank Millennium	2019-08-08	70000	WIBOR + margin	2024-07-21	joint contractual mortgage, assignment of rights to an insurance policy
22. Credit facility with Bank Millennium	2020-04-03	40578	WIBOR + margin	2025-04-02	joint contractual mortgage, assignment of rights to an insurance policy
23. Borrowing from Siemens	2016-02-24	385	WIBOR + margin	2021-02-28	bill of exchange
24. Credit facility with BNP Paribas	2017-03-20	-	WIBOR + margin	2021-03-31	joint contractual mortgage, assignment of rights to an insurance policy
25. Credit facility with BNP Paribas	2017-03-20	62857	WIBOR + margin	2025-12-31	joint contractual mortgage, assignment of rights to an insurance policy
26. Credit facility with BNP Paribas	2019-09-04	60,000	WIBOR + margin	2025-09-04	joint contractual mortgage, assignment of rights to an insurance policy
27. Credit facility with Bank Handlowy	2018-10-03	-	WIBOR + margin	2021-10-01	joint contractual mortgage, assignment of rights to an insurance policy
<b>TOTAL</b>		<b>805,066</b>			

\* Balance of liabilities net of commissions.

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In addition, the liabilities for loans and lease agreements also have security interests in the form of blank bills of exchange.

<i>Type of liability</i>	<i>Date agreement signed</i>	<i>Outstanding liability as at 31 December 2019* (thousands of PLN)</i>	<i>Interest rate</i>	<i>Date of repayment</i>	<i>Collateral type</i>
1. Credit facility with mBank	2013-11-22	1,404	WIBOR + margin	2023-10-31	joint contractual mortgage, assignment of rights to an insurance policy
2. Credit facility with mBank	2012-03-08	3,026	WIBOR + margin	2021-12-31	joint contractual mortgage, assignment of rights to an insurance policy
3. Credit facility with PKO BP	2012-01-26	-	WIBOR + margin	2019-10-28	joint contractual mortgage, assignment of rights to an insurance policy
4. Credit facility with PKO BP	2011-04-13	1,463	WIBOR + margin	2021-04-12	joint contractual mortgage, assignment of rights to an insurance policy
5. Credit facility with PKO BP	2013-05-23	21,667	WIBOR + margin	2021-12-31	joint contractual mortgage, assignment of rights to an insurance policy
6. Credit facility with PKO BP	2016-10-25	39,031	WIBOR + margin	2024-10-24	joint contractual mortgage, assignment of rights to an insurance policy
7. Credit facility with BZ WBK	2018-02-19	58,803	WIBOR + margin	2023-02-18	joint contractual mortgage, assignment of rights to an insurance policy
8. Credit facility with mBank	2014-01-09	12,141	WIBOR + margin	2023-11-30	joint contractual mortgage, assignment of rights to an insurance policy
9. Credit facility with ING	2014-04-15	20,838	WIBOR + margin	2022-04-14	joint contractual mortgage, assignment of rights to an insurance policy
10. Credit facility with Bank Millennium	2014-12-18	4,319	WIBOR + margin	2020-06-17	joint contractual mortgage, assignment of rights to an insurance policy
11. Credit facility with mBank	2015-04-17	13,461	WIBOR + margin	2025-03-31	joint contractual mortgage, assignment of rights to an insurance policy
12. Credit facility with ING	2014-04-15	-	WIBOR + margin	2020-04-14	joint contractual mortgage, assignment of rights to an insurance policy
13. Credit facility with Millennium	2018-08-09	-	WIBOR + margin	2021-08-08	joint contractual mortgage, assignment of rights to an insurance policy
14. Credit facility with mBank	2016-08-16	3,237	WIBOR + margin	2021-07-30	joint contractual mortgage, assignment of rights to an insurance policy
15. Credit facility with mBank	2016-11-04	-	WIBOR + margin	2019-10-08	joint contractual mortgage, assignment of rights to an insurance policy
16. Credit facility with Millennium	2016-05-12	18,250	WIBOR + margin	2021-05-11	joint contractual mortgage, assignment of rights to an insurance policy

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17. Borrowing from Siemens	2016-02-24	611	WIBOR + margin	2021-02-28	bill of exchange
18. Credit facility with PKO BP	2016-10-25	112,941	WIBOR + margin	2025-04-24	joint contractual mortgage, assignment of rights to an insurance policy
19. Credit facility with ING	2016-04-15	14,062	WIBOR + margin	2024-04-14	joint contractual mortgage, assignment of rights to an insurance policy
20. Credit facility with BGŻ BNP Paribas	2017-03-20	-	WIBOR + margin	2019-03-19	joint contractual mortgage, assignment of rights to an insurance policy
21. Credit facility with BGŻ BNP Paribas	2017-03-20	69,524	WIBOR + margin	2025-12-31	joint contractual mortgage, assignment of rights to an insurance policy
22. Credit facility with ING	2018-07-03	50,000	WIBOR + margin	2026-07-02	joint contractual mortgage, assignment of rights to an insurance policy
23. Credit facility with Bank Handlowy CITI	2018-10-03	-	WIBOR + margin	2021-10-01	joint contractual mortgage, assignment of rights to an insurance policy, statement of submission to enforcement under art. 777 par. 1 item 5 of the Code of Civil Procedure
24. Credit facility with PKO BP	2019-02-11	75,294	WIBOR + margin	2026-08-11	joint contractual mortgage, assignment of rights to an insurance policy
25. Credit facility with Millennium	2018-08-09	37,500	WIBOR + margin	2023-08-08	joint contractual mortgage, assignment of rights to an insurance policy
26. Credit facility with Millennium	2019-08-08	20,000	WIBOR + margin	2024-07-21	joint contractual mortgage, assignment of rights to an insurance policy
<b>TOTAL</b>		<b>577,572</b>			

\* *Balance of liabilities net of commissions.*

In addition, the liabilities for loans and lease agreements also have security interests in the form of blank bills of exchange.

## **18. Other significant changes**

### **18.1. Non-recurring amounts and events**

An atypical event in the Dino Group's business in the period from 1 January 2020 to 30 June 2020 was the epidemiological situation in Poland and the ensuing restrictions enacted by the government pertaining to the mobility of the population and how businesses function (especially in the period from March-April 2020). As a result thereof, in the middle of March 2020, the Company observed greater shopping activity among its customers who were engaged in stockpiling goods and less activity among consumers prior to the Easter Holidays (due to the restrictions mentioned above). Concurrently, chiefly in March 2020, the Company was compelled to incur certain incremental operating expenses related to the necessity of adapting to the epidemiological situation, and in particular to the necessity of phasing in a very rigorous sanitary regime in its store network and distribution centers.

The Company monitors the epidemiological situation and its impact on its business on an ongoing basis. The Group has given consideration to the impact exerted by this situation on its asset value and it has not identified any additional related impairments. In addition, in the opinion of the Management Board, the prerequisites were not met to perform an asset impairment test, nor did the foregoing situation affect the recoverability of a deferred tax asset or the payment of liabilities. During the reporting period no changes were made to lease contracts or credit facilities, nor were any other significant amendments made to contracts with customers and suppliers. As at the date of these interim consolidated financial statements, all areas of the Company's operating activity are performing efficiently and there are no significant reasons for revising the performance targets or plans set by the Management Board for 2020.

### **18.2. Investment securities**

The Group did not issue, redeem or pay down any non-equity or investment securities in the period from 1 January 2020 to 30 June 2020.

On 26 June 2019 Dino Polska issued 1,700 bonds with a nominal value of PLN 100,000 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 1.30 percentage points per annum. The maturity date was set for 26 June 2022. The bonds are secured under a surety provided by selected Dino Polska S.A. Group companies.

### **18.3. Litigation**

No material litigation was launched in the period from 1 January 2020 to 30 June 2020 or from 1 January 2019 to 30 June 2019.

### **18.4. Contingent liabilities, also including the guarantees and sureties extended by the entity, also on bills of exchange and contingent assets**

As at 30 June 2020 the Company had the following contingent liabilities:

1. surety for amortization of an investment loan drawn down by Agro-Rydzyna sp. z o.o., agreement of 14 December 2011 entered into with BRE Bank S.A. for PLN 14,750 thousand. The loan has a floating interest rate. The final date of repayment is 31 August 2021. The surety covers the principal, interest on the principal and other costs.
2. surety for amortization of an investment loan drawn down by Dino Krotoszyn sp. z o.o., agreement of 15 January 2018 entered into with PKO BP S.A. for PLN 16,074 thousand. The loan has a floating interest rate. The final date of repayment is 24 October 2024. The surety covers the principal, interest on the principal and other costs.
3. surety for amortization of an investment loan drawn down by Centrum Wynajmu Nieruchomości sp. z o.o., investment loan agreement of 16 August 2016 entered into with mBank S.A. for PLN 32,000 thousand. The loan has a floating interest rate. The final date of repayment is 30 July 2021. The surety covers the principal, interest on the principal and other costs.
4. surety for amortization of an investment loan drawn down by Centrum Wynajmu Nieruchomości sp. z o.o., investment loan agreement of 2 January 2020 entered into with PKO BP S.A. for PLN 50,000 thousand. The

loan has a floating interest rate. The final date of repayment is 2 April 2023. The surety covers the principal, interest on the principal and other costs.

5. surety for amortization of an overdraft agreement drawn down by Agro-Rydzyzna sp. z o.o., agreement of 13 November 2018 entered into with BGŻ BNP Paribas SA for the amount of PLN 15,000 thousand. The loan has a floating interest rate. The final date of repayment is 13 November 2020. The surety covers the principal, interest on the principal and other costs.

As at 30 June 2019 the Company had the following contingent liabilities:

1. surety for amortization of an investment loan drawn down by Agro-Rydzyzna sp. z o.o., agreement of 14 December 2011 entered into with BRE Bank S.A. for PLN 14,750 thousand. The loan has a floating interest rate. The final date of repayment is 31 August 2021. The surety covers the principal, interest on the principal and other costs.
2. surety for amortization of an investment loan drawn down by Dino Krotoszyn sp. z o.o., agreement of 15 January 2018 entered into with PKO BP S.A. for PLN 16,074 thousand. The loan has a floating interest rate. The final date of repayment is 24 October 2024. The surety covers the principal, interest on the principal and other costs.
3. surety for amortization of an investment loan drawn down by Centrum Wynajmu Nieruchomości sp. z o.o., investment loan agreement of 16 August 2016 entered into with mBank S.A. for PLN 32,000 thousand. The loan has a floating interest rate. The final date of repayment is 30 July 2021. The surety covers the principal, interest on the principal and other costs.
4. surety for amortization of an investment loan drawn down by Dino Południe sp. z o.o., agreement of 11 February 2019 entered into with PKO BP S.A. for PLN 70,000 thousand. The loan has a floating interest rate. The final date of repayment is 11 August 2026. The surety covers the principal, interest on the principal and other costs.

### 18.5. Obligations to incur capital expenditures

As at 30 June 2020, liabilities for property, plant and equipment purchases were related mainly to the purchase of services related to the ongoing rollout of the Dino Polska Group store network. The total figure was PLN 104,923 thousand (PLN 142,965 thousand as at 31 December 2019).

### 18.6. Cash and cash equivalents

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

	<u>30.06.2020</u>	<u>30.06.2019</u>
Cash at bank and in hand	190,088	77,689
Short-term deposits	89,683	248,174
<b>Total</b>	<b><u>279,771</u></b>	<b><u>325,863</u></b>

The tables below depict the reasons for the differences between the balance sheet movements in some line items and the movements following from the statement of cash flows:

<i>Interest and profit sharing (in thousands of PLN)</i>	<u>01.01.2020- 30.06.2020</u>	<u>01.01.2019- 30.06.2019</u>
Result on financing activity for interest	22,444	21,522
Financial expenses - commissions and sureties received	(430)	123
<b>Interest and profit sharing in the statement of cash flows</b>	<b><u>22,014</u></b>	<b><u>21,645</u></b>
<i>Receivables (in thousands of PLN)</i>	<u>01.01.2020- 30.06.2020</u>	<u>01.01.2019- 30.06.2019</u>
Balance sheet movement in net non-current and current receivables	29,822	22,007
Movement in receivables on the sale of fixed assets	(430)	(1,429)
<b>Movement in receivables in the statement of cash flows</b>	<b><u>29,392</u></b>	<b><u>20,578</u></b>

<i>Liabilities (in thousands of PLN)</i>	<b><i>01.01.2020- 30.06.2020</i></b>	<b><i>01.01.2019- 30.06.2019</i></b>
Balance sheet movement of current and non-current liabilities	7,867	251,064
Balance sheet movement of current and non-current loans and borrowings and bonds	(218,982)	(80,985)
Movement in bonds	-	(170,702)
Movement in finance lease liabilities	20,921	(8,959)
Movement in liabilities for the fees for received sureties	3,524	2,990
Movement in settlements on the purchase of fixed assets	26,988	15,180
<b>Movement in liabilities in the statement of cash flows</b>	<b>(159,682)</b>	<b>8,588</b>

## 18.7. Other selected disclosures

On 8 May 2020 Szymon Piduch, in consultation with the Company's Management Board and Supervisory Board, tendered his resignation from serving in the capacity of the Chief Executive Officer of Dino Polska S.A. and from serving as a member of the Company's Management Board with effect from the date of opening the next Ordinary Shareholder Meeting ("OSM"). The reason stated for his resignation was the intention to join the Company's Supervisory Board. His appointment to be a Supervisory Board member transpired on 2 July 2020.

On 24 June 2020 the Company's Supervisory Board adopted a resolution appointing Ms. Izabela Biadała to be a Management Board member of Dino Polska S.A.

On 23 June 2020 the Management Board of Dino Polska S.A. made the decision to commence the construction of the Company's two new distribution centers in the communities of Sieronowice in the Opolskie Voivodship and Sierpc in the Mazowieckie Voivodship ("Investment").

In connection with this Investment the Company will enter into a number of contracts with entities independent of the Company that specialize in the execution of such investments, including the entity that will play the role of general contractor. This investment will involve the comprehensive construction and fit-out of the freezer, refrigerated storage area, controlled-temperature warehouses, dry goods warehouse and social and office space with the accompanying technical infrastructure, internal roads and parking spots. The total planned warehouse space of a single distribution center will be 45 thousand square meters.

The (net) estimated investment expenditures are approximately PLN 80 million per distribution center and will be financed using the Company's own funds and bank loans. The purpose of the new distribution centers is to handle the deliveries of goods to the growing number of Dino stores and support the network's ongoing geographic expansion. The Company anticipates that the construction of the two distribution centers will be completed in 2021.

On 30 June 2020, acting pursuant to the consent given by the Company's Supervisory Board, the Management Board of Dino Polska S.A. signed an annex ("Annex") to the framework agreement for construction work executed on 3 March 2017 ("Framework Agreement") between the Company and Krot Invest KR Inżynieria spółka z ograniczoną odpowiedzialnością S.K.A. ("General Contractor") which the Company reported in its issue prospectus in 2017.

The Framework Agreement defines the terms and conditions according to which the orders to build the individual Dino stores the Company submits to the General Contractor are supposed to be performed. The term for which the Framework Agreement was executed has been extended from 30 June 2020 to 30 June 2025 by the power of the Annex. The fee defined in the Framework Agreement per 1 square meter of floor space of development due to the General Contractor for building a store will remain unchanged with the stipulation that by the power of the Annex a mechanism will be introduced to index this fee once a year, starting from the date of signing the Annex, using the construction and assembly price index (for the construction of buildings) published by the President of the Central Statistical Office for the year preceding the year to which the indexation applies. The other material terms and conditions of the Agreement are not subject to change.

According to the Company, signing the Annex will enable it to maintain a high level of standardization and efficiency in the investment process pertaining to the launch of new Dino stores and will make it possible to maintain the rapid rollout of the Dino network in upcoming years.

## 19. Objectives and principles of managing financial risk

The Company is exposed to market risk, which encompasses mostly the risk of changing interest rates, but is not exposed to foreign exchange rate fluctuation risk. The Company does not hold and does not issue any financial derivatives held for trading.

The Company has guidelines and recommendations in place for managing financial risk, which define its comprehensive operating strategies, risk tolerance level and the overall risk management philosophy.

No material changes were made to the rules of financial risk management in the 6-month period ended 30 June 2020 compared to the 2019 financial statements.

## 20. Financial instruments

In the Company's opinion, the fair value of cash, short-term deposits, trade receivables, trade payables, bank loans, other loans, outstanding bonds and lease liabilities does not deviate from their carrying amounts. In the 6-month period ended 30 June 2020, no changes were made to the fair value measurement methodology pertaining to financial instruments and no changes were made to the classification of financial assets resulting from a change of purpose or use of such assets.

### Carrying amounts of individual classes of financial instruments

	<i>Carrying amount</i>	
	<u>30.06.2020</u>	<u>31.12.2019</u>
<i>Financial assets</i>		
Cash	279,771	377,737
Trade receivables	22,636	45,582
Other financial assets (non-current)	755,835	755,835
<b>Total</b>	<b><u>1,058,242</u></b>	<b><u>1,179,154</u></b>
<i>Financial liabilities</i>		
Trade payables	785,059	1,042,467
Trade payables in factoring, including programs to finance suppliers	364,614	272,013
Interest-bearing bank loans and borrowings and lease liabilities:	875,266	668,804
- lease and hire-purchase liabilities	71,205	92,126
- loans and borrowings based on floating interest rate	804,061	576,678
Bonds	270,487	270,650
<b>Total</b>	<b><u>2,295,426</u></b>	<b><u>2,253,934</u></b>

## 21. Discontinued activity

The Company has not discontinued any operations in the period covered by these financial statements.



## 22. Related party transactions

### a) Group

The Company functions within the Dino Polska Group.

The Company prepares consolidated financial statements for the group in which it is the parent company.

### b) Parent company

Tomasz Biernacki doing business as Zakłady Mięsne "Biernacki" Tomasz Biernacki with its registered office in Czeluścin, Czeluścin 6, 63-830 Pępowo is the Company's parent company.

The size of transactions with the parent company was as follows:

<i>(in thousands of PLN)</i>	<u>01.01.2020- 30.06.2020</u>	<u>01.01.2019- 30.06.2019</u>
Procurements	159	216
Sales	3	3
 <i>(in thousands of PLN)</i>	 <u>30.06.2020</u>	 <u>31.12.2019</u>
Receivables on account of goods, work and services	-	2
Payables on account of goods, work and services	12	74

### c) Transactions with other related parties, including parties along with the Company that are under the parent company's joint control

The size of transactions with subsidiaries and associates was as follows:

#### ***"Agro-Rydzyna" spółka z ograniczoną odpowiedzialnością***

<i>(in thousands of PLN)</i>	<u>01.01.2020- 30.06.2020</u>	<u>01.01.2019- 30.06.2019</u>
Procurements	596,637	425,427
Sales	2,146	1,280
 <i>(in thousands of PLN)</i>	 <u>30.06.2020</u>	 <u>31.12.2019</u>
Receivables on account of goods, work and services	5	93
Payables on account of goods, work and services	210,150	196,953

#### ***Vitrena Holdings Ltd***

<i>(in thousands of PLN)</i>	<u>30.06.2020</u>	<u>31.12.2019</u>
Other payables	1	1

#### ***Centrum Wynajmu Nieruchomości spółka z ograniczoną odpowiedzialnością***

<i>(in thousands of PLN)</i>	<u>01.01.2020- 30.06.2020</u>	<u>01.01.2019- 30.06.2019</u>
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Procurements	18,007	12,736
Sales	1,026	1,003
Interest – financial income	925	1,556

<i>(in thousands of PLN)</i>	<u>30.06.2020</u>	<u>31.12.2019</u>
Receivables on account of goods, work and services	176	362
Payables on account of goods, work and services	5,807	3,707
Loans granted	47,177	81,252
Loans received	3,531	-
Other payables	1,905	4,755

***Centrum Wynajmu Nieruchomości 1 S.A.***

<i>(in thousands of PLN)</i>	<u>01.01.2020- 30.06.2020</u>	<u>01.01.2019- 30.06.2019</u>
Procurements	7,912	7,617
Sales	9	53
Interest - financial expenses	260	48
Interest – financial income	-	23

<i>(in thousands of PLN)</i>	<u>30.06.2020</u>	<u>31.12.2019</u>
Receivables on account of goods, work and services	4	3
Payables on account of goods, work and services	1,646	2,581
Loans granted	-	27
Loans received	6,275	13,615
Other receivables	-	1
Other payables	-	653

***Centrum Wynajmu Nieruchomości 2 S.A.***

<i>(in thousands of PLN)</i>	<u>01.01.2020- 30.06.2020</u>	<u>01.01.2019- 30.06.2019</u>
Procurements	7,791	7,414
Sales	7	10
Interest – financial income	197	369

<i>(in thousands of PLN)</i>	<u>30.06.2020</u>	<u>31.12.2019</u>
Receivables on account of goods, work and services	4	2
Payables on account of goods, work and services	1,481	2,867
Loans granted	8,417	11,424
Loans received	2,746	-
Other receivables	-	2
Other payables	-	2,185

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**Centrum Wynajmu Nieruchomości 3 S.A.**

<i>(in thousands of PLN)</i>	<u>01.01.2020- 30.06.2020</u>	<u>01.01.2019- 30.06.2019</u>
Procurements	6,930	6,588
Sales	7	8
Interest – financial income	-	178

<i>(in thousands of PLN)</i>	<u>30.06.2020</u>	<u>31.12.2019</u>
Receivables on account of goods, work and services	4	-
Payables on account of goods, work and services	3,980	2,549
Loans granted	-	640
Loans received	2,310	-
Other payables	-	1,844

**Centrum Wynajmu Nieruchomości 4 S.A.**

<i>(in thousands of PLN)</i>	<u>01.01.2020- 30.06.2020</u>	<u>01.01.2019- 30.06.2019</u>
Procurements	8,204	6,230
Sales	108	8
Interest – financial income	1,151	308

<i>(in thousands of PLN)</i>	<u>30.06.2020</u>	<u>31.12.2019</u>
Receivables on account of goods, work and services	6	-
Payables on account of goods, work and services	2,767	1,221
Loans granted	61,119	51,067
Loans received	1,693	-
Other current financial assets	48	-
Other payables	-	1,354

**Centrum Wynajmu Nieruchomości 5 S.A.**

<i>(in thousands of PLN)</i>	<u>01.01.2020- 30.06.2020</u>	<u>01.01.2019- 30.06.2019</u>
Procurements	6,229	5,892
Sales	7	8
Interest - financial expenses	90	19
Interest – financial income	-	131

<i>(in thousands of PLN)</i>	<u>30.06.2020</u>	<u>31.12.2019</u>
Receivables on account of goods, work and services	6	-
Payables on account of goods, work and services	3,617	2,314
Loans granted	206	206
Loans received	6,369	4,591
Other payables	-	1,331

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**Centrum Wynajmu Nieruchomości 6 S.A.**

<i>(in thousands of PLN)</i>	<u>01.01.2020- 30.06.2020</u>	<u>01.01.2019- 30.06.2019</u>
Procurements	7,188	6,877
Sales	7	17
Interest – financial income	29	196

<i>(in thousands of PLN)</i>	<u>30.06.2020</u>	<u>31.12.2019</u>
Receivables on account of goods, work and services	4	1
Payables on account of goods, work and services	4,078	2,307
Loans granted	599	2,086
Loans received	2,507	-
Other receivables	-	9
Other payables	-	2,063

**PIK Finanse spółka z ograniczoną odpowiedzialnością**

<i>(in thousands of PLN)</i>	<u>01.01.2020- 30.06.2020</u>	<u>01.01.2019- 30.06.2019</u>
Sales	4	4

<i>(in thousands of PLN)</i>	<u>30.06.2020</u>	<u>31.12.2019</u>
Receivables on account of goods, work and services	3	-
Loans received	10,896	10,896

**Dino Krotoszyn spółka z ograniczoną odpowiedzialnością**

<i>(in thousands of PLN)</i>	<u>01.01.2020- 30.06.2020</u>	<u>01.01.2019- 30.06.2019</u>
Procurements	10,700	11,209
Sales	78	166
Interest - financial expenses	199	-
Interest – financial income	-	10

<i>(in thousands of PLN)</i>	<u>30.06.2020</u>	<u>31.12.2019</u>
Receivables on account of goods, work and services	44	20
Payables on account of goods, work and services	1,114	5,823
Loans received	10,220	10,021
Other receivables	-	1

**Dino Oil spółka z ograniczoną odpowiedzialnością**

<i>(in thousands of PLN)</i>	<u>01.01.2020- 30.06.2020</u>	<u>01.01.2019- 30.06.2019</u>
Procurements	8	-
Sales	4	4
Interest – financial income	4	1

*DINO POLSKA S.A.*  
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(in thousands of PLN)

<i>(in thousands of PLN)</i>	<u>30.06.2020</u>	<u>31.12.2019</u>
Receivables on account of goods, work and services	2	-
Payables on account of goods, work and services	-	2
Loans granted	6	202

***Dino Północ spółka z ograniczoną odpowiedzialnością***

<i>(in thousands of PLN)</i>	<u>01.01.2020- 30.06.2020</u>	<u>01.01.2019- 30.06.2019</u>
Sales	2	4

<i>(in thousands of PLN)</i>	<u>30.06.2020</u>	<u>31.12.2019</u>
Receivables on account of goods, work and services	35	33

***Dino Południe spółka z ograniczoną odpowiedzialnością***

<i>(in thousands of PLN)</i>	<u>01.01.2020- 30.06.2020</u>	<u>01.01.2019- 30.06.2019</u>
Procurements	23,411	8,460
Sales	93	96
Interest – financial income	524	812

<i>(in thousands of PLN)</i>	<u>30.06.2020</u>	<u>31.12.2019</u>
Receivables on account of goods, work and services	19	11
Payables on account of goods, work and services	10,440	14,266
Loans granted	29,159	29,635

The amount of the transactions with other related parties was:

***TBE spółka z ograniczoną odpowiedzialnością***

<i>(in thousands of PLN)</i>	<u>01.01.2020- 30.06.2020</u>	<u>01.01.2019- 30.06.2019</u>
Sales	2	2

<i>(in thousands of PLN)</i>	<u>30.06.2020</u>	<u>31.12.2019</u>
Receivables on account of goods, work and services	-	1

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***Krot Invest KR Inżynieria sp. z o.o. SKA***

<i>(in thousands of PLN)</i>	<u>01.01.2020- 30.06.2020</u>	<u>01.01.2019- 30.06.2019</u>
Procurements	174,332	159,314
Sales	579	334

<i>(in thousands of PLN)</i>	<u>30.06.2020</u>	<u>31.12.2019</u>
Receivables on account of goods, work and services	726	463
Payables on account of goods, work and services	62	-
Other receivables	17	17
Other payables	81,778	96,545

***Krot Invest 2 KR Inżynieria sp. z o.o. Sp.k.***

<i>(in thousands of PLN)</i>	<u>01.01.2020- 30.06.2020</u>	<u>01.01.2019- 30.06.2019</u>
Procurements	9,004	8,371
Sales	2	1

<i>(in thousands of PLN)</i>	<u>30.06.2020</u>	<u>31.12.2019</u>
Payables on account of goods, work and services	586	3,188
Other payables	96	215

The transaction with the management was for the following amount:

<i>(in thousands of PLN)</i>	<u>01.01.2020- 30.06.2020</u>	<u>01.01.2019- 30.06.2019</u>	<u>01.01.2019- 30.06.2019</u>
Key managers (Management Board members)	-	-	-
Supervisory Board	-	-	-

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

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

On 2 July 2020 the Company's Ordinary Shareholder Meeting adopted a resolution on designating the 2019 net profit totaling PLN 318,201 thousand to the Company's supplementary capital.

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



## INDEPENDENT AUDITOR'S REPORT ON THE REVIEW OF THE INTERIM CONDENSED FINANCIAL STATEMENTS

**To the Shareholders and Supervisory Board of Dino Polska S.A.**

### Introduction

We have reviewed the interim condensed financial statements of Dino Polska S.A. ("Company") with its registered office in Krotoszyn at ul. Ostrowska 122, consisting of the following: the interim condensed statement of profit and loss for the period from 1 January 2020 to 30 June 2020, the interim condensed balance sheet as at 30 June 2020, the interim condensed statement of cash flows, the interim condensed statement of changes in equity for the period from 1 January 2020 to 30 June 2020 and the additional information and explanations ("interim condensed financial statements").

The scope and format of the enclosed interim condensed financial statements for the period from 1 January 2020 to 30 June 2020 follow from the Regulation issued by the Finance Minister on 29 March 2018 on the Current and Periodic Information Transmitted by Securities Issuers and the Conditions for Recognizing the Information Required by the Regulations of a Non-Member State as Equivalent ("Current and Periodic Information Regulation").

The Company's Management Board is responsible for the preparation and presentation of the interim condensed financial statements in accordance with the requirements of the Accounting Act of 29 September 1994 ("Accounting Act"), the implementing rules and other applicable laws, and also the requirements prescribed by the Current and Periodic Information Regulation.

We are responsible for formulating a conclusion about the interim condensed financial statements on the basis of the review we have conducted.

### Scope of review

We conducted our review in accordance with National Review Standard 2410 in the wording of the International Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* ('standard') adopted by the National Council of Statutory Auditors. A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, applying analytical and other review procedures.

A review has a significantly narrower scope than an audit conducted in accordance with National Auditing Standards in the wording of the International Auditing Standards adopted by the National Council of Statutory Auditors and, consequently, does not allow us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the enclosed interim condensed financial statements are not compliant, in all material aspects, with the requirements of the Accounting Act, the implementing rules and other applicable laws and the requirements laid down in the Current and Periodic Information Regulation.

Warsaw, 20 August 2020

Key Statutory Auditor

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Łukasz Wojciechowski  
Statutory Auditor  
no. 12273

acting on behalf of:  
Ernst & Young Audyt Polska  
spółka z ograniczoną odpowiedzialnością sp. k.  
Rondo ONZ 1, 00-124 Warsaw  
record number: 130





## INDEPENDENT AUDITOR'S REPORT ON THE REVIEW OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

**To the Shareholders and Supervisory Board of Dino Polska S.A.**

### Introduction

We have carried out a review of the interim condensed consolidated financial statements of the Dino Polska S.A. Group ("Group") whose parent company is Dino Polska S.A. ("Company") with its registered office in Krotoszyn at ul. Ostrowska 122, consisting of the following: the interim condensed consolidated statement of profit or loss, the interim condensed consolidated statement of comprehensive income for the period from 1 January 2020 to 30 June 2020, the interim condensed consolidated statement of financial position as at 30 June 2020, the interim condensed consolidated statement of cash flows, the interim condensed consolidated statement of changes in equity for the period from 1 January 2020 to 30 June 2020 and additional information and explanations ("interim condensed consolidated financial statements").

The Company's Management Board is responsible for the preparation and presentation of the interim condensed consolidated financial statements in accordance with the requirements of International Accounting Standard 34 *Interim Financial Reporting* proclaimed in the form of the European Commission's regulations.

We are responsible for formulating a conclusion about the interim condensed consolidated financial statements on the basis of our review.

### Scope of review

We conducted our review in accordance with National Review Standard 2410 in the wording of the International Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* ('standard') adopted by the National Council of Statutory Auditors. The review of the interim financial statements involves asking questions, primarily to persons responsible for financial and accounting matters, and carrying out analytical procedures and other review procedures.

A review has a significantly narrower scope than an audit conducted in accordance with National Auditing Standards in the wording of the International Auditing Standards adopted by the National Council of Statutory Auditors and, consequently, does not allow us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we have not expressed an audit opinion.

### **Conclusion**

Based on the review we carried out, we conclude that we have not noted anything that would make us believe that the interim condensed consolidated financial statements are not compliant, in all material aspects, with the requirements of the International Accounting Standard 34 *Interim Financial Reporting* proclaimed in the form of the European Commission's regulations.

Warsaw, 20 August 2020

Key Statutory Auditor

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Łukasz Wojciechowski  
Statutory Auditor  
no. 12273

acting on behalf of:  
Ernst & Young Audyt Polska  
spółka z ograniczoną odpowiedzialnością sp. k.  
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record number: 130