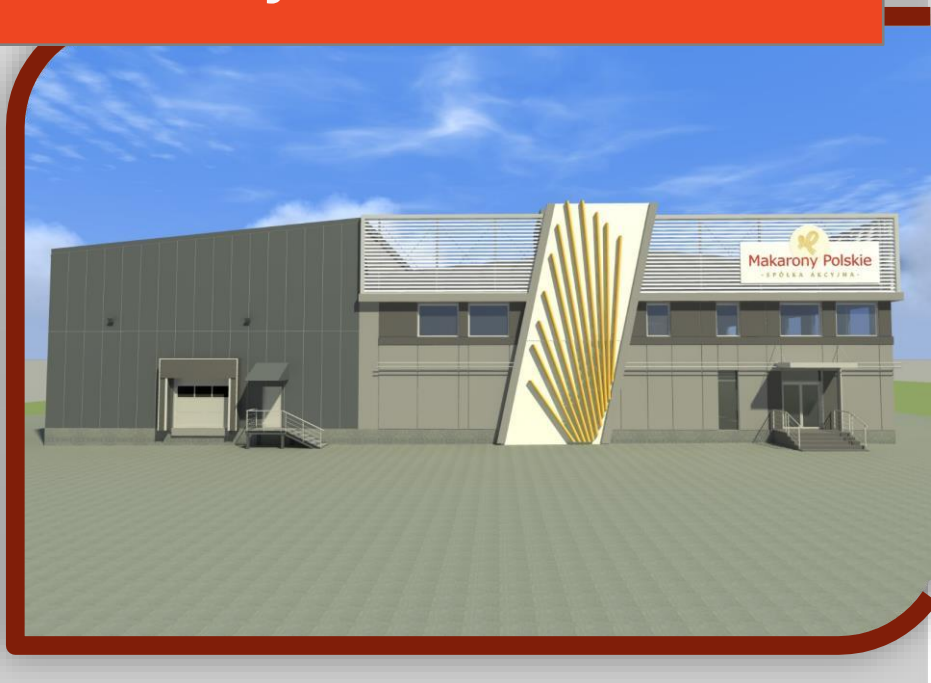
Makarony Polskie

- SPÓŁKA AKCYJNA -

Condensed consolidated financial statements of Makarony Polskie Group for the period between 1st January to 31 March of 2023



Rzeszów, 26 May 2023

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General information

Organizational structure of the Makarony Polskie Group

Makarony Polskie Group („Group") consists of four companies:

- Makarony Polskie SA („Company", „parent company")
- Stoczek Natura Sp. z o.o.
- MP Trade Sp. z o.o.
- SAS Sp. z o.o. (formerly: Przedsiębiorstwo Produkcyjno-Handlowe "SAS" Andrzej Świderski Sp. z o.o., on 2 January 2023 a change of company name was registered in the KRS)



Makarony Polskie SA is a manufacturer of a wide range of pasta, produced in stamped and rolled technology. The Company offers pasta in a wide variety of forms, made from durum flour and common wheat flour. In its portfolio, the Company also has products responding to pro-health food trends, e.g. pasta made from spelt, buckwheat and rye flours. The product range is diversified with large forms of pasta intended for stuffing and vegetable pasta made from legumes such as chickpeas, red lentils and green peas. The company has considerable scope to expand its range of pasta made from rare flours such as legumes and the portfolio will be developed in this direction.

The main pasta brands offered are Makarony Polskie, Sorenti and Abak (a bibrand of Makarony Polskie).

Stoczek Natura Sp. z o.o. is a producer of meat and vegetable preserves (ready meals, pâtés, lards, tinned food), vegetable preserves (salads, marinades), fruit preserves (jams, plum jams) offered under the Stoczek, Tenczynek, Męska Rzecz brands, as well as the new SoFood brand, which represents the developing category of ready meals on trays. Products that are easy to prepare and can be placed on the so-called dry shelf.

MP Trade Sp. z o.o. develops trade on own account with foreign goods of Polish and foreign producers. The company works in two business fields. The

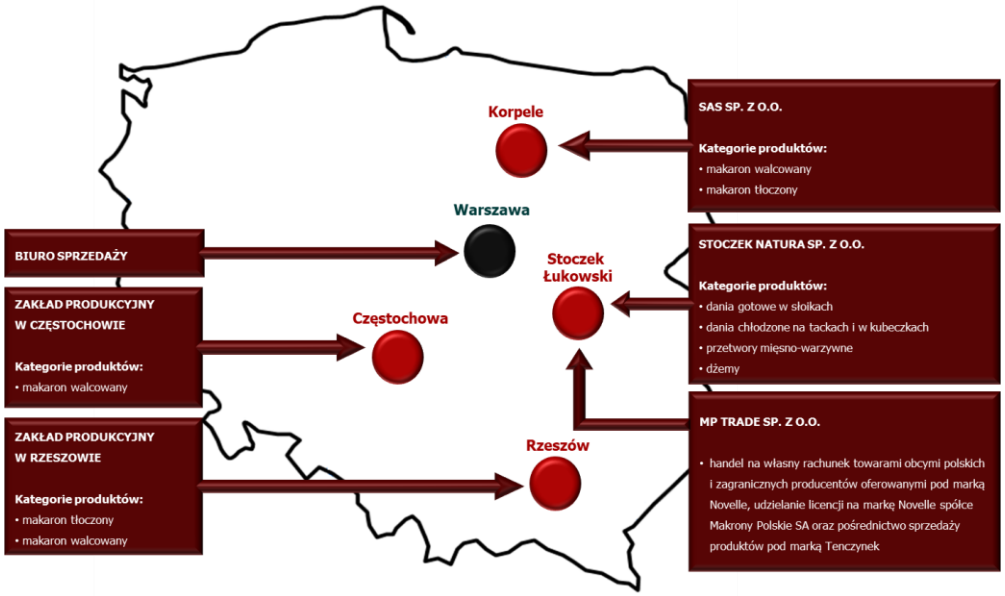
first area of the company's activity is the sale under the Novelle own label of products purchased from external suppliers and on licensing the Novelle brand to Makrony Polskie SA in the production of vegetable pasta and other goods produced within the Makarony Polskie Group. The company also imports raw materials that are used for the Group's needs. The business model adopted by the company creates its value by increasing its brand value on the one hand, and on the other hand develops opportunities for importing raw materials (production is contracted out).

SAS Sp. z o.o. is a producer of a wide range of pasta, manufactured using rolled and pressed technology, including 'nests'. It offers its products in many different forms and combinations of raw materials, both under private label brands and its own brands: Va bene, Makaron Polski SAS and FUKS. The acquisition of SAS was finalised at the beginning of 2022.

The company is currently in the process of being incorporated into Makarony Polskie SA.

Within the Makarony Polskie Company, individual companies enter into transactions of purchase and sale of products, goods and services among themselves. All transactions are performed under the market terms and conditions.

ORGANIZACJA
GRUPY MAKARONY POLSKIE



STOCZEK NATURA SP. Z O.O.

Makarony Polskie SA

Registered Office: 35-082 Rzeszów, ul. Podkarpacka 15A,
District Court in Rzeszow, 12th Commercial Division of the National Court Register
KRS number 0000212001,
Share Capital: PLN 33,120,213 - paid up in full
Regon: 691674708,
NIP: 8133278856.
www.makarony.pl.

Stoczek Natura Sp. z o.o.

Registered Office: 21-450 Stoczek Łukowski, ul. Dwernickiego 5,
Lublin Wschód Commercial Court with registered office in Świdnik, VI Commercial Division KRS number: 0000050439,
Share Capital: PLN 15,707,800
Regon: 711584640,
NIP: 8251727212,
www.stoczek.com.pl.

MP Trade Sp. z o. o.

Registered Office: 21-450 Stoczek Łukowski, ul. Dwernickiego 5,
Commercial Court Lublin Wschód with its registered office in Świdnik, 6th Commercial Department
KRS number: 0000579926,
Share Capital: PLN 1,500,000
Regon: 362706449,
NIP: 8252176004.

SAS Sp. z o.o.

Registered Office: Korpele 60, 12-100 Szczytno,
District Court in Olsztyn, 8th Commercial Department
KRS number: 0000930233,
Share Capital: PLN 10,773,000.00
Regon: 520336157
NIP: 7451856735
http://makaronysas.pl/

100% of the shares in the share capital of Stoczek Natura Sp. z o.o., MP Trade Sp. z o.o., SAS Sp. z o.o. are held by Makarony Polskie SA as at 31 March 2023 share in the total number of votes at the Shareholders' Meetings of these companies, held by the parent company, is equal to the share in the capital of each of the subsidiaries.

The duration of all companies of the Makarony Polskie Group is indefinite.

Employment as at 31 March 2023 in the Makarony Polskie Group

Employment as at 31 March 2023 in the Makarony Polskie Group was the following:

- Makarony Polskie SA – 168 employees,
- Stoczek Natura Sp. z o.o. - 78 employees
- PPH SAS Andrzej Świderski Sp. z o.o. - 158 employees
- MP Trade Sp. z o.o. - 0 employees

Composition of the Parent Company's Management Board

On 31 March 2023 and on the date of submission of the report, the management board of the parent company is a single person one, and the President of the Management Board of Makarony Polskie SA is Zenon Daniłowski.

Shares held by Members of the Management Board

Number and nominal value of shares of Makarony Polskie SA and shares in the entities of the Makarony Polskie Group held by the Members of the Management Board as at the report date:

Member of the Management Board	Q1 2023		2022	
	number of shares	nominal value	number of shares	nominal value
Zenon Daniłowski*	140,000	420 000	140,000	420 000

* Zenon Daniłowski, President of the Management Board, is related to the companies: Praska Giełda Spożywcza SA and Polskie Smaki Sp. z o.o., which also hold shares in the Company; the total holding as at the date of publication of the report for Q1. 2023 amounts to 3,641,594 shares with a value of PLN 10,924,782 and has not changed from the holding shown as at the publication date of the interim report for the financial year 2022.

According to the Company's information, there were no changes in the shareholding, either directly by the President of the Management Board or by related parties, during 1Q 2023 and until the publication date of this report.

The President of the Management Board of Makarony Polskie SA does not hold any shares in the subsidiary entities of the Makarony Polskie Group.

Composition of the Parent Company's Supervisory Board

- Roman Sobiecki - President of the Supervisory Board,
- Ahmed Khalil - Vice-President of the Supervisory Board,
- Marek Rocki - Member of the Supervisory Board,
- Michał Słomkowski - Member of the Supervisory Board,
- Wiesław Wasilewski - Member of the Supervisory Board.

Shares held by members of the Supervisory Board

Number and nominal value of shares of Makarony Polskie SA and shares in the entities of the Makarony Polskie Group held by the Members of the Supervisory Board as at the report preparation date (according to the information held):

Member of the Supervisory Board	Q1 2023		2022	
	number of shares	nominal value	number of shares	nominal value
Marek Rocki	0	0	0	0
Ahmed Khalil	0	0	0	0
Janusz Pierun	0	0	0	0
Michał Słomkowski	0	0	0	0
Roman Sobiecki	0	0	0	0
Wiesław Wasilewski *	26,782	80,346	26,782	80,346

* Mr Wieslaw Wasilewski subscribed for 20,000 shares in a new issue of F series , which were subscribed for in December 2021 and registered in the National
Court Register in March 2022.

To the best of the Company's knowledge, there have been no other changes in the shareholdings of the Members of the Supervisory Board during the first quarter of 2023 and up to the date of publication of this report.

The managing persons of Makarony Polskie SA do not hold any shares in the subsidiaries of the Makarony Polskie Group.

General Meeting of the Parent Company

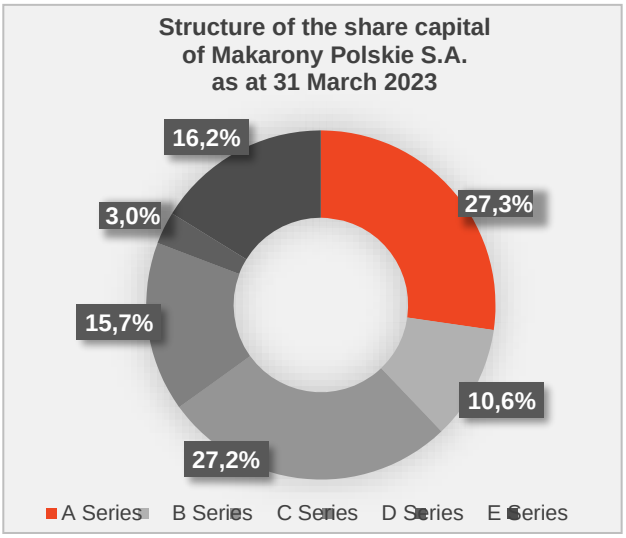
Share capital

Share capital of Makarony Polskie SA in the period from 1 January 2023 to the publication date of this report:

- amount of share capital PLN 33,120,213,
- total number of shares 11,040,071 shares,
- total number of votes at the General Meeting 11,040,071 votes.

Structure of the Company's share capital:

- 3 013 250 ordinary bearer shares of A series,
- 1 169 750 ordinary bearer shares of B series,
- 3 000 000 ordinary bearer shares of C series,
- 1,735,821 ordinary bearer shares of D series,
- 331 250 ordinary bearer shares of E series.
- 1,790,000 ordinary bearer shares of E series.



The Company's shares are ordinary, bearer shares listed on the regulated market operated by the Warsaw Stock Exchange (Giełda Papierów Wartościowych w Warszawie SA). The company has not issued any securities that grant special controlling rights to any of its shareholders.

There are no restrictions on the exercise of voting rights in the Company. There are also no restrictions on the transfer of ownership of securities issued by the Company.

Shares held by major shareholders (above 5% of capital)

Shareholders holding, directly or indirectly through subsidiaries, at least 5% of the votes in the total number of votes at the Company's General Meeting as at the date of the report (according to the information available):

Shareholder	Shares in share capital		Votes in the General Assembly	
	number	share in %	number	share in %
Mr Zenon Daniłowski and entities from PGS Group, including:	3,641,594	32,99%	3,641,594	32,99%
Praska Giełda Spożywcza SA (former: Agro-Technika SA)	*3,380,000*	*30,62%*	*3,380,000*	*30,62%*
Zenon Daniłowski	*140,000*	*1,27%*	*140,000*	*1,27%*
Polskie Smaki Sp. z o.o.	*121,594*	*1,10%*	*121,594*	*1,10%*
Raya Holding for Technology & Communications S.A.E., including:	3,254,706	29,48%	3,254,706	29,48%
Madova Sp. z o.o.	*3,254,706*	*29,48%*	*3,254,706*	*29,48%*
Z.P.H. „ELPAST" Elżbieta i Grzegorz Słomkowscy s.c.	1,169,750	10,60%	1,169,750	10,60%
Other shareholders	2,974,021	26,94%	2,974,021	26,94%
IN TOTAL	**11,040,071**	**100,00%**	**11,040,071**	**100,00%**

Changes in the shareholding structure during Q1 of 2023

The Company has no information that would indicate changes in the number of shares held by significant shareholders (with share blocks above 5%) during the Q1 of 2023 and in the period until the date of publication of these statements.

The Company has no knowledge of other agreements (including those concluded after the balance sheet date) as a result of which, in the future, there may be changes in the proportion of shares held by the current shareholders.

Composition of the Management Board of subsidiaries

Stoczek Natura Sp. z o.o.

In the period from 01 January 2023 to the date of publication of this report, the Management Board of the subsidiary Stoczek Natura Sp. z o.o. consisted of:

- Adam Ławnik - President of the Management Board,
- Jerzy Krzyżowski - Member of the Management Board.

MP Trade Sp. z o.o.

In the period from 1 January 2023 to the date of publication of this report, the company's board of directors of MP Trade Sp. z o.o. functioned in the following composition:

- Marcin Zieliński - President of the Management Board.

SAS Sp. z o.o.

In the period from 1 January 2023 to the date of publication of this report, the company's board of directors of SAS z o.o. functioned in the following composition:

- Witold Żarek – President of the Management Board.

Publication and approval of the financial statements

These condensed consolidated and separate financial data have not been reviewed by an auditor and were approved by the Board of Directors for publication on 26 May 2023.

Legal basis for the consolidated financial statements

Declaration of compliance and the basis for preparing the statements

The abridged consolidated financial statements have been prepared on the basis of the International Accounting Standards as approved by the European Union (EU) and the related interpretations promulgated in the form of implementing regulations of the European Commission (hereinafter referred to as "IFRS"), applicable to interim financial reporting as approved by the European Union (IAS 34 "Interim Financial Reporting") in accordance with Article 55.5 of the Accounting Act (Dz. U. of 2021, item 217, as amended) and the implementing regulations issued on its basis, and in accordance with the requirements set out in the Regulation of the Minister of Finance of 29 March 2018 on current and periodic information provided by issuers of securities and the conditions for recognising as equivalent the information required by the laws of a non-member state (Dz. Laws of 2018, item 757). The condensed financial statements do not include all information and disclosures required in the annual financial statements and should be read together with the Group and Parent Company's financial statements for the year ended December 2022.

Basis for valuation

The Consolidated Financial Statements presented have been prepared on a historical cost basis, with the exception of the fair value measurement of certain assets, i.e. SAS Sp. z o.o., the Abak and SoFood brands and investment properties.

Functional and presentation currency

The Group's measurement currency included in these consolidated financial statements and the reporting currency of these financial statements is the Polish zloty.

Financial figures, unless otherwise indicated, are given in thousands of PLN.

Legal basis for preparation of consolidated financial statements

Accounting principles applied and the basis for preparing the statements

The accounting principles used to prepare the interim condensed consolidated financial statements are consistent with those applied to the preparation of the annual financial statements of the Group of Companies for the year ended 31 December 2022 (published on 27 April 2023).

The financial statements of all entities have been prepared for the same reporting period, using consistent accounting policies. Were not subject to examination. The financial year of the Group companies is the calendar year.

The Parent Company - Makarony Polskie SA and its subsidiaries - Stoczek Natura Sp. z o.o., MP Trade Sp. z o.o. and SAS SP. z o.o. prepare their financial statements in accordance with IAS/IFRS. All transactions, balances, revenues and expenses between consolidated related parties are subject to consolidation exclusions.

The duration of the Group companies is not limited.

Explanations regarding seasonality or cyclicality in relation to the Group's interim operations

The Group's operations do not show significant seasonal or cyclical trends.

Changes to the rules for preparing financial statements

In Q1 2023, there were no changes in the valuation principles applied in the preparation of the consolidated financial statements, with the exception of the application of amendments to standards and new interpretations effective for annual periods beginning on 1 January 2023.

Uncertainty of estimates

The basic assumptions related to the future and other key sources of uncertainties present at the balance sheet date to which the risk of balance sheet assets and liabilities is related in the following fiscal year are presented below

- fair valuation of fixed assets,
- depreciation rates,
- impairment of assets (including receivables),
- provisions value,

- deferred tax assets (companies recognize assets for deferred tax based on the assumption that a tax profit shall be obtained in the future allowing its utilization; deterioration of the obtained tax results in the future could cause that such assumption would be unjustified),
- valuation of assets with an indefinite useful life.
- IFRS-16 related estimates.

As at the date of this report, there is no indication that the Abak and SoFood brands and goodwill have been written down.

The relevant tests, in accordance with the applicable rules, were performed as at the end of 31 December 2022.

The forward-looking assumptions and estimates used are consistent with the assumptions and estimates adopted by the Group in the 2022 financial statements.

Going Concern

The consolidated financial statements of the Makarony Polskie Group have been prepared on the assumption that the business of the Group companies will be continued in the foreseeable future and not significantly reduced. The Group did not conduct operations which were discontinued in the first Q1 of 2023.

Events affecting assets, liabilities, equity, net result or cash flow statement that are unusual due to their nature, size or frequency The impact of the COVID-19 pandemic on the operations of Makarony Polskie SA.

Impact of the political and economic situation in Ukraine on the activities of Makarony Polskie SA.

The impact of the political and economic situation in Ukraine on the operations and financial results of the Makarony Polskie Group is way less significant than in the previous periods. The raw materials market is currently quite stable, which makes it possible to manage the production structure more efficiently. It is difficult to predict how long this situation will last. In case of unpredictable events affecting the raw material market, the Company will react accordingly. Since the pandemic and the outbreak of war in Ukraine, the Company has acquired considerable experience in managing unexpected turbulence in both the heartwood and packaging markets as well as in the outlets.

Immediately after the outbreak of war in Ukraine, additional procedures were implemented in the Makarony Polskie Group to secure continuity of production and reduce the risk of raw material shortages,

packaging and staff shortages. These procedures are subject to systematic validation and modification depending on the needs and development of the situation in Ukraine.

The Management Board of Makarony Polskie SA closely monitors the situation related to the war in Ukraine in order to take measures aimed at minimising the negative impact of the geopolitical situation on the Company's and the Group's functioning in the area of safety, financial liquidity and achieved results. In the opinion of the Board of Directors, the current financial situation of the Company and the Group does not threaten the continuation of the Group's operations in future periods.

The situation in Ukraine has not materially affected the Company's operations to date. The share of the Ukrainian market in total sales revenues of the Company amounts to approx. 1.6%. In the opinion of the Management Board, there are no threats in the Makarony Polskie Group that would make it impossible to pay its liabilities. The Group has no problems with the repayment of receivables by its contractors (no changes in the collection of receivables were identified). The Group has not identified an increase in the valuation risks and the deposition of inventories. As at the publication date of the statements, the Group does not identify any significant risks of failure to meet the financial covenants included in loan agreements in connection with the war in Ukraine.

At this moment, despite the war that has been going on for many months, it is difficult to predict a further escalation of the war situation in Ukraine and its impact on the situation of Makarony Polskie SA. Company and Group.

Immediately after the outbreak of war in Ukraine, in the Makarony Polskie Group additional procedures were implemented to secure the production continuity and reduce the risk relating to a lack of raw materials, packaging and staff shortages. These procedures are systematically validated and modified depending on the needs and situation in Ukraine.

The Management Board of Makarony Polskie SA closely monitors the situation related to the war in Ukraine in order to take measures aimed at minimising the negative impact of the geopolitical situation on the Company's and the Group's functioning in the area of safety, financial liquidity and achieved results. In the opinion of the Board of Directors, the current financial situation of the Company and the Group does not threaten the continuation of the Group's operations in future periods.

The situation in Ukraine has not materially affected the Company's operations to date. The share of the Ukrainian market in total sales revenues of the Company amounts to approx. 11%. In the opinion of the Management Board, there are no threats in the Makarony Polskie Group that would make it impossible to pay its liabilities. The Group has no problems with the repayment of receivables by its contractors (no changes in the collection of receivables were identified). The Group has not identified an increase in the valuation risks and the deposition of inventories. As at the publication date of the statements, the Group does not identify any significant risks of failure to meet the financial covenants included in loan agreements in connection with the war in Ukraine.

Legal basis for preparation of consolidated financial statements

At this moment, despite the war that has been going on for many months, it is difficult to predict a further escalation of the war situation in Ukraine and its impact on the situation of Makarony Polskie SA Company and Group.

Position of the Management Board regarding the publication of the Group's results forecasts

The Makarony Polskie Group did not publish financial forecasts for the year 2023.

Factors and risks with a significant impact on financial performance in Q1 2023 and subsequent periods

The Makarony Polskie Group generated sales revenue of approximately PLN 89.1 million and a net profit of PLN 7.3 million after Q1 2023. This is mainly due to the following factors:

- Acquisition of SAS z o.o. at the beginning of 2022 - thanks to new investments and the full integration of the SAS company into the Group's structures, both production and sales capacities in the pasta category were significantly increased,
- increases in the prices of the products offered forced by the shock increase in producer inflation levels and the need to constantly adjust selling prices to the level of rising production and selling costs,
- "underestimation" of base sales revenue in the first quarter of 2022 - a temporary reduction in the level of sales in the first quarter of 2022 caused by the finalisation of investments carried out by the Group's companies and the related necessity to temporarily shut down certain production areas and production lines, translated into the necessity to temporarily reduce the scale of production and, consequently, sales revenue.

THE IMPACT ON PERFORMANCE IN FUTURE PERIODS WILL INCLUDE THE FOLLOWING ACTIONS:

Building a competitive advantage through investments in R&D, product, process and rganizational innovations

- investments in new production lines and a research and development center will allow the Group to expand its product range and enter new market segments, both at home and abroad,
- activities aimed at cost and process optimization, e.g. implementation of MES software in the production plants will allow for better control of cost and labor intensity of the products and improvement of production-related accounts,

while WMS software relating to warehouses will improve warehouse management and the system of stock aging and product flow control,

- at Makarony Polskie SA, an interdisciplinary team was established, which, in cooperation with scientific institutions, works on developing and implementing innovative technologies for the production of new products: functional, health-promoting, low-processed food, easy to prepare,
- STOCZEK NATURA SP. z o.o. has successfully introduced SoFood ready-made dishes on trays and in bowls to its offer, which achieved the position of sales vice-leader in its category (according to the report of Nielsen company), further systematic offer development of SoFood brand in close association with market trends and upward trend of this segment is a good sign for sales increase in the future periods,
- SAS Sp. z o.o. has carried out a number of investments to improve production efficiency and flexibility and reduce production costs, work is underway to diversify the sources of technological heat generation, and the company has also taken steps to sell unused assets, and plans to use the proceeds from the sale to invest further in its machinery,
- in all plants of the Group, by the end of 2023, it is planned to invest in photovoltaics - the production processes of pasta and ready meals are characterized by high energy consumption, investments in "green energy" will allow the Group, on the one hand, to take care of the environment and reduce its carbon footprint and, on the other hand, to reduce the cost of production resulting from increases in electricity prices.

Finalisation of the incorporation process of SAS Sp. z o.o. into Makarony Polskie SA

- On 12 April 2023, the General Meeting of Makarony Polskie SA and the General Meeting of Shareholders of SAS Sp. z o.o. adopted resolutions regarding the merger of Makarony Polskie SA as the acquiring company and SAS Sp. z o.o. as the acquired company, according to the plan of merger that was agreed upon and signed by the Management Boards of both companies on 31 August 2022. The merger of the companies is supported by, among other things, economic conditions. As a result of the merger, it will be possible to:
  - reduce the operating costs generated by the simultaneous operations of two companies - Makarony Polskie SA and Przedsiębiorstwo Produkcyjno-Handlowe "SAS" Andrzej Świderski sp. z o.o in a situation when a range of business activities of both entities is the same or very similar, and consists mainly in pasta production,
  - achieve the synergy,
  - reduce the costs as a result of the merger of two companies
  - integrate the operational processess of both companies.

Activity development in the private label segment

- diversifying and enriching the offer addressed to new and existing customers with pro-health and functional products (including, for example, gluten-free and high-protein pastas, pasta suitable for vegans), products from the new rolled line, as well as products of Stoczek Natura Sp. z o.o. (including ready meals in trays and in bowls),
- activities aimed at improving the profitability of the sales channel, including optimization measures in the area of packaging, taking into account the principles of sustainable development.

Development of B2B sales channels and Institutions

- development of the category of pasta, meat and vegetable preserves, vegetable and fruit preparations, adapted to the expectations of the customers of that channel,
- establishing cooperation relations with other manufacturers of pastas and ready meals and manufacturers of complementary goods, in order to supplement the offer for the final recipient,
- individualizing the offer and thus increasing competitiveness,
- using the production potential of Stoczek Natura Sp. z o.o. in the scope of service packaging of products and based on new forms of packaging.

Increase in shares and increase in the distribution level on the domestic market

- intensification of trade-marketing activities aimed at increasing the presence Makarony Polskie, SoFood and Novelle brands on the market,
- strengthening and developing the product portfolio in line with market trends,
- development and implementation of cooperation mechanisms with wholesale customers, retail local networks and network trade, especially in the area of international medium and small networks and convenience networks - as a selective distribution strategy, taking into account the specificity of the categories in which the Group operates,
- focusing on fast and efficient building of brand availability in the modern channel and implementation of an effective distribution policy in the traditional channel,
- intensification of trade marketing activities supporting sales and resale of products and building lasting relationships with customers.

Export development

- a systematic increase in the number of customers in foreign markets - a focus on European markets, where the Group is systematically developing its cooperation with networks and distributors,
- intensifying communication with existing and potential customers through participation in such as trade fairs and the organisation of B2B meetings in target markets,

- development of the product offer by offering functional products on foreign markets, e.g.: whole wheat pasta with high fiber content, spelled pasta, buckwheat, vegetable and in the product category, such as ready-made dishes in trays (in particular, vegetarian dishes, which are highly sought after on the market),
- acquiring and implementing projects concerning deliveries under the own recipient's brand,
- partnerships with other entities that have an offer complementary to the Group's offer in order to increase sales opportunities and make the offer more attractive.

In the opinion of the Management Board of Makarony Polskie SA, the current financial situation of the Company and the Group allows for the implementation of the above-mentioned development directions.

Risks and threats to the Group's operations in the remaining months of 2023

The current financial situation of the Group, its production potential and market position create opportunities for further development, however, there are many factors, especially those of an external nature, which may directly or indirectly affect the financial results achieved in subsequent years.

The risk of changes in market trends

The risk may consist in any possible changes of purchasing and eating habits of the consumers caused by, for example, macroeconomic (inflation) or geopolitical (outbreak of the war in Ukraine) situation. For example, the impoverishment of the society as a result of continuous increase in prices and costs of everyday functioning may lead to the increase in demand for the cheaper and low-margin products and force the manufacturers and suppliers to aggressive price competition.

Current market trends are monitored on a regular basis. The Group's companies quickly and flexibly match their offer to them, both in terms of the products themselves and their production technology. The Group's current product offering is modified in line with market trends.

Risk related to competition

All areas of Makarony Polskie Group's operations belong to highly competitive segments. There is a risk that the intensified actions of competitors, manifested mainly in the deterioration of trading conditions will affect the profitability and revenues of the Group, may affect the achievement of objectives assumed by the Group. All activities of the competitive environment are monitored and carefully analysed on an ongoing basis, which allows for quick response in the area of possible threats. The Company attempts to minimize this risk by diversifying its activities and developing innovative products (teams whose goal is to conduct R&D projects were appointed).

Risk of dependence on recipients

A large part of revenues is generated by the Group through cooperation with organized and centrally-decisive retail chains. A possible lack of continuity of cooperation with customers may affect the amount of revenues. Some commercial agreements do not contain a strictly determined amount of

estimated purchases that the recipient will make during the term of the contract. There is a risk that recipients will submit orders that deviate quantitatively from the monthly plans adopted by the Group. This may result in the inability to meet demand or incomplete use of production capacity, which will have an impact on the results.

In the Group's opinion, the risk of becoming dependent on customers is not significant because the Group companies conduct systematic actions towards the diversification of customers and increasing the number of so-called medium-sized customers.

Risk related to changes in raw material and material prices

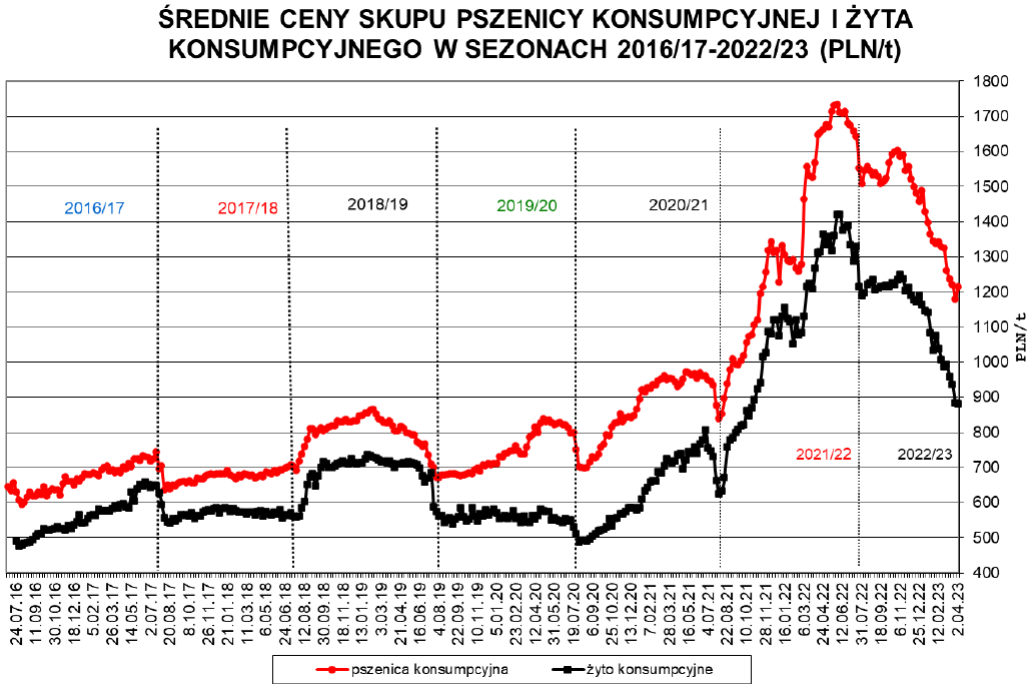
Makarony Polskie Group consistently strives to implement its strategy in the area of securing the raw material prices with long-term purchase agreements in annual and half-year periods, which helps to limit material decreases in the profitability of the pasta produced. Unfortunately, the current dynamic changes of prices on the global markets make the suppliers more careful and reluctant to enter into such contracts.

At the start of hostilities in Ukraine, at the end of March 2022, wheat prices rose sharply to Eur 384.50/t reaching levels unmatched in earlier years. Despite a successful harvest, high prices on the cereal markets persisted until the end of 2022. News of further increases in the price of energy carriers caused cereal producers to become very rigid in the fourth quarter of 2022 with regard to grain sales. Thus, the price of flour remained high. Despite the ongoing hostilities in Ukraine, the situation has started to calm down in the first quarter of 2023. Russia's extension of the agreement accepting Ukraine's wheat exports and information about very large global wheat stocks have calmed the market and, with such high wheat stocks, further price stabilisation is expected on world exchanges.

It is worth pointing out that there are large stocks of wheat grain on the Polish market and on the markets of neighbouring countries. The situation is complicated by the information about significant and uncontrolled inflow of wheat from Ukraine, which creates the ground for tensions in the agricultural environment, undertaking lobbying activities and influences social pressure and expectation of intervention actions on the national and European level. The development of this situation and the stabilisation measures taken will have a key impact on price dynamics and the availability of grain for the milling industry.

High prices also persisted in the durum wheat flour market, with semolina prices reaching unprecedented levels by December 2022. Ahead of the 2022/2023 harvest, demand for durum wheat, and thus semolina, exceeded supply, leading to price increases. Confirmed information about good harvest forecasts, especially in Canada, had a positive impact on stabilising the price of durum wheat flour for the following season, with price stabilisation occurring at a high level. At the same time as the market calmed down, global durum wheat stocks began to be balanced. It turned out that stocks were significant and durum wheat prices fell slightly at the end of the first quarter of 2023. An element that could effectively disrupt price stability in the durum wheat market in the second half of 2023 is the durum wheat harvest forecasts in Canada and the United States.

The graph below shows the development of soft cereal prices in Poland in recent years:



Consumer rye Source: Weekly report on the market for cereals, oilseeds and feed materials - Cereal market week 14/2023,
Sparks Polska

In Q.2, 2022, egg prices remained at the high level of Q.1, 2022. Undoubtedly, it will be greatly influenced by the war in Ukraine and significant increases in the prices of feed and energy carriers. After a slight calming of the market at high price levels, September 2022 saw another systematic increase in the price of egg pulp due to strong demand and the detection of further outbreaks of avian influenza. All these elements caused, at the end of 2022 and in the first quarter of 2023, the prices of eggs and egg pulp to reach very high levels, unprecedented in the history of the trade in these raw materials. A slight calming of the market and gentle price decreases only occurred at the end of March 2023. The situation in subsequent periods will be influenced by factors such as the dynamics of the spread of avian influenza outbreaks, or increased demand for Polish eggs in Western European countries.

Significant price increases also occurred in 2022 in the foil and cardboard packaging market. Price increase in Q2 of 2022 compared to prices in Q4 of 2021 amounted to approximately 140%. This high price level was maintained until the middle of Q4 of 2022. At the end of 2022, the market could see stabilisation and even gentle decreases in the prices of paper, cardboard and foil. These decreases were the result of reduced demand for packaging due to reduced consumption. In the first quarter of 2023, the market remained stable recording slight price adjustments depending on the business situation of suppliers.

Stoczek Natura Sp. z o.o. is a manufacturer of fruit and vegetable preserves (including jams) and ready meals. The prices of fruit and vegetable The fruit and vegetable prices are highly dependent on the weather conditions. The Company cooperates with domestic fruit and vegetable suppliers, it also has an extensive database of foreign suppliers of key raw materials, which gives the Company greater opportunities to obtain cheap, good quality raw materials. Purchasing of fruit and vegetables is carried out seasonally, in the months when their prices are lowest. If necessary, the purchased raw materials are stored in company warehouses and cold stores. Stoczek Natura Sp. z o.o. is exposed to an

increase in raw material prices resulting from various weather anomalies. In an effort to minimise this risk, the company maintains an extensive supplier base of key raw materials. In the first quarter of 2023, the company used fruit purchased in the 2022 season, so this was a period of assumed stabilisation.

STOCZEK NATURA SP. z o.o. is a manufacturer of fruit and vegetable preserves (including jams) and ready meals. The prices of fruit and vegetable The fruit and vegetable prices are highly dependent on the weather conditions. The Company cooperates with domestic fruit and vegetable suppliers, it also has an extensive database of foreign suppliers of key raw materials, which gives the Company greater opportunities to obtain cheap, good quality raw materials. Purchasing of fruit and vegetables is carried out seasonally, in the months when their prices are lowest. If necessary, the purchased raw materials are stored in company warehouses and cold stores. Stoczek Natura Sp. z o.o. is exposed to an increase in raw material prices resulting from various weather anomalies. In an effort to minimise this risk, the company maintains an extensive supplier base of key raw materials. In the first quarter of 2023, the company used fruit purchased in the 2022 season, so this was a period of assumed stabilisation.

Meat is the main raw material influencing the prices of the company's products. In 2022, the prices of purchased meat elements increased significantly - increases averaged 30%-60%. Increases in the price of pork meat also continued in Q1 2023 Due to the fact that the company has secured stocks of this raw material for a period of several months at the end of 2022, it has mitigated the negative impact of the price increases on its operational activities in the first period. It thus gained time to adjust the sales prices of finished products to the increased production costs, which is particularly important in the case of retail chains, where the process of implementing price increases is stretched over time. Poultry meat prices in the first quarter of 2023 were characterised by price stabilisation, which had a positive impact on the company's assumed sales margins.

The first quarter of 2023 saw reductions in the price of natural gas as a result of which the glass packaging market stabilised. The price of natural gas is one of the key costs in the production of jars, so its optimal price results in a preferred stabilisation of glass packaging prices. The supply of jars is currently good and increasing, which has a positive impact on the price formation in the market.

Despite the stabilisation of prices of utilities such as gas and electricity in the first quarter of 2023, the Group continues to monitor price forecasts for key raw materials and packaging. It is estimated that the prices of some raw materials and packaging will fall and inflation will no longer be as high as it was in 2022, nevertheless markets will still take a long time to stabilise after the disruption caused by the Covid-19 pandemic and the outbreak of war in Ukraine. Due attention to operational optimisation, systematic monitoring of process efficiency and cost levels, as well as rapid adjustment of product selling prices to the rising costs of their manufacture, are becoming crucial. This radically changes the business relationship between business partners, e.g. the reluctance of suppliers to set fixed commercial terms for longer contract periods (e.g. one year) translates the risk of operating in the short term and the 'uncertainty of tomorrow' into customers.

Risk of variable legal and tax environment

The Polish legal and tax system is characterized by frequent changes, laws are significantly changed basically day to day (e.g. during the COVID-19 epidemic, after introducing the Polish Order, or after

the outbreak of the war in Ukraine), which makes the activities of the companies, including the companies of the Makarony Polskie Group, burdened with a very high degree of uncertainty. This is a detrimental factor for business activity which involves a lot of risk.

The protection of the interests of the Group in terms of legal changes is supervised by legal teams that in due course take appropriate actions aimed at minimizing the possible effects of these changes. Quality teams keep track of all legal regulations regarding products and packaging, and the changes required by law are implemented without unnecessary delay.

Risk related to changes in exchange rates

The Makarony Polskie Group is a semolina importer and exporter of finished products. The sales prices of the Company's products are each time determined and take into account the current value of exchange rates so as to ensure satisfactory sales profitability.

The weakening of the zloty may have a negative impact on the profitability level of operations conducted by the Group as an importer. To minimize the risk of changes in foreign exchange rates, the funds obtained by the Group from export sales are used to purchase raw materials outside Poland.

The table presents the currency structure for given classes of financial instruments as at 31 March 2023:

Groups/categories of financial instruments	Balance sheet value as at 31.03.2023	Currency exposure as at 31.03.2023 PLN k	EUR PLN k	USD PLN k
Financial assets				
Cash and cash equivalents	10,447	596	596	0
Trade receivables 32,589	37,487	1,104	1,104	0
Financial liabilities				
Trade liabilities	42,218	5,089	5,089	0

The table presents the currency structure for given classes of financial instruments as at 31 December 2022:

Groups/categories of financial instruments	Balance sheet value as at 31.12.2022	Currency exposure as at 31.12.2022 PLN k	EUR PLN k	USD PLN k
Financial assets				
Cash and cash equivalents	7,828	1,090	1,090	0
Trade receivables 32,589	33,740	520	520	0
Financial liabilities				
Trade liabilities	49,678	12,339	12,339	0

The table presents the analysis of the sensitivity of the financial result to changes in exchange rates as

at 31 March 2023:

Groups/categories of financial instruments	EUR		USD	
	5%	-5%	5%	-5%
	Impact on the financial result PLN k		Impact on the financial result PLN k	
Financial assets				
Cash and cash equivalents	29.8	- 29.8	0	0
Trade receivables (gross)	55.2	- 55.2	0	0
Financial liabilities				
Trade liabilities	- 254.4	254.4	0	0

The table presents the analysis of the sensitivity of the financial result to changes in exchange rates as at 31 December 2022:

Groups/categories of financial instruments	EUR		USD	
	5%	-5%	5%	-5%
	Impact on the financial result PLN k		Impact on the financial result PLN k	
Financial assets				
Cash and cash equivalents	54.5	- 54.5	0	0
Trade receivables (gross)	26	-26	-	-
Financial liabilities				
Trade liabilities	- 620	620	-	-

Interest rate risk

Interest rate risk is the risk of incurring losses as a result of changes in market interest rates and changes in statutory interest rates. Both the amount of revenues and costs of the Group are sensitive to changes in the level of market interest rates Significantly, the Group finances its operations with loans, which increases its sensitivity to the risk caused by interest rate changes in both long-term and short-term financial liabilities.

During the first quarter of 2023, the Group used external sources of financing in the form of bank loans: working capital loans, overdrafts.

As at 31 March 2023, the Group had a liability due to loans taken out, in the amount of PLN 28,561 k:

Currency	Interest	Loans balance	Including loans	
			Short-term	Long-term
PLN	WIBOR + bank's margin	27,324	15,213	12,111

As at 31 December 2022, the Group had a liability due to loans taken out, in the amount of PLN 26,353 k:

Currency	Interest	Loans balance	Including loans	
			Short-term	Long-term
PLN	WIBOR + bank's margin	26,353	13,220	13,133

The Group has liabilities due to loans for which interest is calculated on the basis of a variable interest rate, and therefore there is a risk of an increase in these rates in relation to the conclusion of the contract.

The structure of financial instruments exposed to the risk of changes in interest rates as at 31 March 2023 is presented in the table below:

Groups/categories of financial instruments	Balance sheet value as at 31.03.2023	Value at risk as at 31.03.2023 PLN k	WIBOR PLN k
Financial assets			
Cash in hand and at bank accounts	10,447	0	0
Financial liabilities			
Bank loans	27,324	27,324	27,324
Other financial liabilities	1,262	1,262	1,262

The structure of financial instruments exposed to interest rate risk as at 31 December 2022 are set out in the table below:

Groups/categories of financial instruments	Balance sheet value as at 31.12.2022 PLN k	Value at risk as at 31.12.2022 PLN k	WIBOR PLN k
Financial assets			
Cash in hand and at bank	7,828	-	-
Financial liabilities			
Bank loans	26,353	26,353	26,353
Other financial liabilities	1,109	1,109	1,109

Sensitivity analysis of the financial result to changes in interest rates at 31 March 2023:

Interest rate	Deviation assumptions (in percentage points) 31.03.2023		Value at risk as at 31.03.2023 PLN k	impact on the financial result as at 31.03.2023 PLN k	
WIBOR	1%	-1%	28,586	-285.7	285.7

Sensitivity analysis of the financial result to changes in interest rates at 31 December 2022:

Interest rate	Deviation assumptions (in percentage points) 31.12.2022		Value at risk as at 31.12.2022 PLN k	impact on the financial result as at 31.12.2022 PLN k	
WIBOR	1%	-1%	27,462	-274.6	274.6

Risk of insolvency

Risk of insolvency means the risk that the Group's contractors will default on their obligations. The

Legal basis for preparation of consolidated financial statements

Group applies the principle of making transactions with counterparties whose creditworthiness has been verified and of obtaining, if necessary, an appropriate security as a tool to mitigate the risk of financial loss arising from a breach of agreement. The Group uses publicly available financial information and its own data on transactions when assessing the financial health of its major customers.

The Group's exposure to the risk of contractors' insolvency is constantly monitored; the credit risk control is enabled by limits verified and approved on an ongoing basis within the control structures of the Group. In addition, the Group has covered the selected contractors by trade receivables insurance granted by one of the major insurers operating in this area on the Polish market.

The Group is not exposed to material risk of insolvency towards a single contractors or a group of contractors.

Selected financial data – Grupa Makarony Polskie

Selected financial data in EURO were presented in accordance with the Regulation of the Minister of Finance of March 29, 2018 on current and periodic information provided by issuers of securities and the conditions for recognizing as equivalent information required by the laws of a non-member state (Dz. U. of 2018, item 757).

- items of the statement of financial position have been converted at the average exchange rate announced by the National Bank of Poland as at the balance sheet date 31 March 2023, EUR 1= PLN 4.6755; 31 December 2022, EUR 1= PLN 4.6899
- items of the statement of comprehensive income and statement of cash flows have been converted at the exchange rate being the arithmetic average of the average rates set by the National Bank of Poland effective on the last day of each month of Q1 of 2023 = PLN = 4.7005 and at the end of each month of Q1 of 2022 = PLN 4.5472.

Selected financial data	31 March 2023	31 March 2022	31 March 2023 in EUR k)	31 March 2022 in EUR k)
Net revenues from sale of products, services, goods and materials	89,111	68,922	18,958	14,831
Profit (loss) from continued operations	10,056	8,238	2,139	1,773
Gross profit (loss)	9,410	7,829	2,002	1,685
Net profit (loss) from continued operations	7,288	7,087	1,550	1,525
EBIT	10,056	8,238	2,139	1,773
EBITDA (EBIT + depreciation)	12,548	10,449	2,670	2,248
Net cash flows from operating activity	4,384	8,637	933	1,859
Net cash flows from investment activity	- 1,529	- 15,369	- 325	- 3,307
Net cash flows from operating activity	- 238	-3,272	- 51	- 704
Total net cash flows	2,617	- 10,004	557	- 2,152
Total assets ***	244,849	239,332	52,369	51,031
Liabilities and provisions for liabilities ***	114,618	116,418	24,515	24,823
Long-term liabilities ***	41,243	41,745	8,821	8,901
Short-term liabilities ***	73,375	74,673	15,694	15,922

Selected financial data Makarony Polskie Group

Equity ***	130,231	122,914	27,854	26,208
Share capital ***	33,120	33,120	7,084	7,062
Number of shares (units)	11,040,071	11,040,071	11,040,071	11,040,071
Weighted average number of shares (in units) during the financial year in question	11,040,071	11,040,071	11,040,071	11,040,071
Profit/loss per ordinary share (in PLN/EUR) *	0.66	0.64	0.14	0.14
Book value per one share (in PLN/EUR)**	11.80	11.13	2.52	2.37

* Net profit/loss per ordinary share = net result/weighted average number of shares in the period

** Book value per one ordinary share = equity/number of shares at a given balance sheet date

*** Comparable data regarding the statement of financial position as at 31 December 2022 Condensed statement on total revenues of Makarony Polskie SA

Consolidated statements of comprehensive income

For the period	01.01.2023-31.03.2023	01.01.2022-31.03.2022
Net sales revenue	89,111	68,922
Revenues from sales of other products and services	88,551	67,427
Net revenue from sales of goods and materials	560	1,495
Own cost	67,123	56,055
Production costs of products and services sold	66,574	54,951
Value of goods and materials sold	549	1,104
Gross profit (loss) on sales	21,988	12,867
Costs of sales	9,220	6,610
General administrative costs	2,161	2,115
Other revenues	401	4,536
Other costs	952	440
Profit (loss) from continued operations	10,056	8,238
Financial incomes	95	10
Financial costs	741	419
Gross profit	9,410	7,829
Income tax	2,122	742
Profit (loss) from continued operations, in this attributable to:	7,288	7,087
Shareholders of the parent Company	7,288	7,087
Non-controlling shares	0	0
Basic net result per share in PLN	0.66	0.64
Diluted net result per share in PLN	0.66	0.64
Other total net income/loss	0	0
Total net income, in this attributable to:	7,288	7,087
Shareholders of the parent Company	7,288	7,087
Non-controlling shares	0	0

Consolidated statements of of financial position

ASSETS	31.03.2023	31.12.2022	31.03.2022
FIXED ASSETS	**144,605**	**144,181**	**151,387**
Fixed tangible assets	131,945	131,475	134,441
Right-of-use assets- IFRS - 16	3,687	3,699	3,771
Investment real estate 603	603	603	603
47,190	2,863	2,863	5,949
Other intangible assets	5,476	5,503	6,569
Long-term financial assets	0	0	0
Deferred tax assets income tax	4	3	0
Other long-term assets	27	35	54
CURRENT ASSETS	**100,244**	**95,151**	**82,015**
Inventories	44,886	44,481	27,443
Short-term receivables	44,409	42,412	37,612
Tax receivables income tax	1	0	540
Borrowings granted	0	0	0
Cash and cash equivalents	10,447	7,828	16,027
Other short-term assets	501	430	393
FIXED ASSETS FOR SALE	**0**	**0**	**1,409**
TOTAL ASSETS	**244,849**	**239,332**	**234,811**

LIABILITIES	31.03.2023	31.12.2022	31.03.2022
EQUITY	**130,231**	**122,914**	**108,761**
Revaluation capital	33,120	33,120	33,120
Supplementary capital	53,521	53,521	50,609
Revaluation capital	143	114	19
Reserve capital	12,000	12,000	12,000
Retained profits/losses (profit/loss from previous years)	31,447	24,159	13,013
LONG-TERM LIABILITIES	**41,243**	**41,745**	**51,090**

Consolidated statements of of financial position

Provision on deferred income tax	5,902	5,088	6,082
Long-term bank loans and borrowings	12,111	13,133	19,338
Other long-term financial liabilities	0	0	621
Provision on pension and similar benefits, (long-term)	495	495	564
Revenues of future periods - long-term	19,113	19,501	20,888
Long-term financial liabilities - leasing	3,622	3,528	3,597
SHORT-TERM LIABILITIES	**73,375**	**74,673**	**74,960**
Short-term bank loans and borrowings	15,213	13,220	14,557
Other short-term financial liabilities	621	807	1,257
Short-term financial liabilities - leasing	1,404	1,364	1,075
Other short-term liabilities	47,595	52,886	53,495
Tax liabilities on income tax	2,237	2,349	318
Revenues of future periods - short-term	1,555	1,555	1,595
Provision on pension and similar benefits, (short-term)	2,708	2,421	1,512
Other short-term provisions	2,042	71	1,151
TOTAL LIABILITIES	**114,618**	**116,418**	**126,050**
TOTAL LIABILITIES	**244,849**	**239,332**	**234,811**

Consolidated statements of cash flows

For the period	01.01.2023 31.03.2023	01.01.2022 31.03.2022
Cash flows from operational activities		
Profit before tax	**9,410**	**7,829**
Adjustments by items:		
Depreciation	2,492	2,211
Profits/losses on exchange differences	-2	125
Interest expense and income	568	375
Profit/loss from investing activities	2	5
Change in provisions	2,258	1,509
Change in inventories	- 405	- 6,000
Change in receivables	- 2,965	-12,767
Change in liabilities and other assets and liabilities	- 5,581	20,215
Other adjustments - negative goodwill	0	- 4,164
Total adjustments	- 3,633	1,509
Corporate income tax paid/reimbursed	- 1,393	- 701
Proceeds from dividends	0	0
Total adjustments	- 5,026	808
Net cash flows from operating activity	**4,384**	**8,637**
Cash flows from investment activity		
Proceeds from the sale of fixed assets and intangible assets	5	21
Proceeds from sales of financial assets 0	0	0
Expenses for the acquisition of fixed tangible assets and intangible assets	- 1,624	- 3,027
Expenses for the acquisition of subsidiaries affiliates	0	-12,363
Interest income	90	0
Proceeds from borrowings granted 0	0	0
Borrowings granted	0	0
Other	0	0
Net cash flows from investment activity	**- 1,529**	**- 15,369**

Consolidated statement of cash flows

Cash flows from financial activity		
Proceeds from loans and borrowings	2,583	435
Repayment of loans and borrowings	- 1,611	- 2,300
Payment of other financial liabilities	- 186	- 357
Payment of liabilities under financial lease agreements	- 365	- 675
Interest paid	- 659	- 375
Dividend paid to shareholders	0	0
Expenses for the purchase of financial assets	0	0
Other financial in-flows - subsidy	0	0
Net cash flows from financial activities	**- 238**	**- 3,272**
Increase/decrease in cash and and cash equivalents	**2,617**	**-10,004**
Cash, cash equivalents and overdrafts at the beginning of the period	7,828	26,156
Foreign exchange gains/losses on the valuation of cash, cash equivalents and overdrafts	2	- 125
Cash, cash equivalents and overdrafts at the end of the period	**10,447**	**16,027**

Statement of changes in consolidated equity

For the period from 01 January 2023 to 31 March 2023

	Core capital	Supplementary capital	Capital from capital revaluation	Reserve capital	Retained profit/loss	Total
As at 01 January 2023	33,120	53,521	114	12,000	24,159	122,914
Distribution of profit/loss coverage	0	0	0	0	0	0
Profit distribution - dividend payment	0	0	0	0	0	0
Creation of capital reserve - own shares	0	0	0	0	0	0
Costs of issuing series F shares	0	0	0	0	0	0
Series F shares issue	0	0	0	0	0	0
14,139 14,139	0	0	29	0	0	29
Other total income	0	0	0	0	0	0
Net result after Q1 of 2023	0	0	0	0	7,288	7,288
As at 31 March 2023	33,120	53,521	143	12,000	31,447	130,231

For the period from 01 January 2022 to 31 December 2022

	Core capital	Capital supplementary	Capital from revaluation and valuation	Capital reserve	Retained profit/loss	Total
Balance as at 1 January 2022	27,750	43,091	0	24,888	5,926	101,655
Distribution of profit/loss coverage	0	2,912	0	0	- 2 912	0
Profit distribution - dividend payment	0	0	0	0	- 3,312	- 3,312
Creation of capital reserve - own shares	0	0	0	0	0	0
Costs of issuing series F shares	0	0	0	0	0	0
Series F shares issue	5,370	7,518	0	- 12,888	0	0
14,139 14,139	0	0	114	0	0	114
Other total income	0	0	0	0	0	0
Net result in 2022	0	0	0	0	24,458	24,458
As at 31 December 2022	33,120	53,521	114	12,000	24,159	122,914

For the period from 01 January 2022 to 31 March 2022

	Capital capital	Capital supplementary	Capital from revaluation	Reserve capital	Retained profit/loss	Total
Balance as at 1 January 2022	27,750	43,091	0	24,888	5,926	101,655

Statement of changes in consolidated equity

Distribution of profit/loss coverage	0	0	0	0	0	0
Profit distribution - dividend payment	0	0	0	0	0	0
Creation of capital reserve - own shares	0	0	0	0	0	0
Costs of issuing series F shares	0	0	0	0	0	0
Series F shares issue	5,370	7,518	0	- 12,888	0	0
14,139 14,139	0	0	19	0	0	19
Other total income	0	0	0	0	0	0
Net result after Q1 of 2022	0	0	0	0	7,087	7,087
As at 31 March 2022	33,120	50,609	19	12,000	13,013	108,761

Additional notes

Revenues from sale of products, services, goods and materials by business segments

For management purposes, the Group is divided into business units based on the products and services offered.

	For the period from 01.01 - 31.03.2023	For the period from 01.01 - 31.03.2023
Revenues from sales of products	87,006	66,030
Revenues from the sale of services, including:	1,545	1,397
- from lease and storage	1,185	1,028
- distribution services	20	0
- transportation services	0	9
- service production	340	360
- other services	0	0
Revenues from sale of materials	16	1,394
Revenues from sale of goods	544	101
Total	**89,111**	**68,922**

Operating segments

The Makarony Polskie Group has the operating segments shown in the table below:

	For the period from 01.01 - 31.03.2023	For the period from 01.01 - 31.03.2023
Pasta	74,367	56,749
Meat and vegetable preserves	11,232	8,350
Vegetable and fruit preserves	2,182	2,645
Total	1,330	1,178
Total	**89,111**	**68,922**

The value of sales in the pasta category increased by approximately PLN 17.6 million to approximately PLN 74.4 million in Q1 of 2023. The increase of approximately 31% was mainly due to the following factors:

- Acquisition of SAS z o.o. at the beginning of 2022 - thanks to new investments and the full integration of the SAS company into the Group's structures, both production and sales capacities in the pasta category were significantly increased,
- increases in the prices of the products offered forced by the shock increase in producer inflation levels and the need to constantly adjust selling prices to the level of rising production and selling costs,
- "underestimation" of base sales revenue in the first quarter of 2022 - a temporary reduction in the level of sales in the first quarter of 2022 caused by the finalisation of investments carried out by the Group's companies and the related necessity to temporarily shut down certain production areas and production lines, translated into the necessity to temporarily reduce the scale of production and, consequently, sales revenue of which the acquisition of SAS Sp. z o.o. company played a dominant role and using the effects of synergy.

Sales of processed meat and vegetables increased in the analysed period by approximately PLN 2.9 million to approximately PLN 11.2 million. The increase of approximately 34.5% in Q1 of 2023 vs. Q1 of 2022 was the result of:

- rapidly growing sales of a new line of ready meals in trays and bowls under the SoFood brand launched in 2020. These products have been very well received by customers reaching the position of sales leader in their category in 2022 according to a report by Nielsen. A year earlier, the debut SoFood brand, according to a report by the same company, reached the second position in terms of sales among competitors present on the market for several years, In the first quarter of 2023, these products generated higher sales revenues through increased sales to export customers in EU countries,

- an increase in interest in canned products with a long shelf life, linked, among other things, to the current geopolitical situation and inflation which has forced the consumer to look for cheaper purchasing options,
- organic growth of sales related, among others, to the opening of new outlets by the largest customers of the Makarony Polskie Group.

Sales in the vegetable and fruit preserves segment in the analysed period decreased by approximately PLN 0.5 million and remain at approximately PLN 2.2 million. This is due to the resignation of the Makarony Polskie Group from the sale of products under the Tenczynek brand (salads and vegetable preserves). The Group considered that this market was saturated and the category in which the Tenczynek brand functioned had low growth prospects, especially when contracting these products from external producers. The recent increase in vegetable prices reinforced the Group's decision.

Basic information about operating segments:

For the period from 01.01 to 31.03.2023	Pasta	Meat and vegetable preserves	Vegetable and fruit preserves	Other	Segments In total
Revenues of segments in total	**74,367**	**11,232**	**2,182**	**1,330**	**89,111**
Sales to external customers	74,367	11,232	2,182	1,330	89,111
Sales between segments	0	0	0	0	0
Segment costs	55,946	8,986	1,878	313	67,123
Segment profits or losses	**18,421**	**2,246**	**304**	**1,017**	**21,988**
Costs of sales	0	0	0	0	- 9,220
Administrative costs	0	0	0	0	-2,161
Other revenues	0	0	0	0	401
Other costs	0	0	0	0	- 952
Financial incomes	0	0	0	0	95
Financial costs	0	0	0	0	- 741
Profit/loss elimination between segments	0	0	0	0	0
Other profit or loss	0	0	0	0	0
Unassigned sums	0	0	0	0	0
Gross profit/loss from continuing operations	0	0	0	0	9,410

For the period from 01.01 to 31.03.2022	Pasta	Meat and vegetable preserves	Vegetable and fruit preserves	Other	Segments In total
Revenues segments in total	**56,749**	**8,350**	**2,645**	**1,178**	**68,922**
Sales to external customers	56,749	8,350	2,645	1,178	68,922
Sales between segments	0	0	0	0	0
Segment costs	46,851	6,661	2,326	217	56,055
Segment profits or losses	**9,898**	**1,689**	**319**	**961**	**12,867**
Costs of sales	0	0	0	0	- 6,610
Administrative costs	0	0	0	0	-2,115
Other revenues	0	0	0	0	4,536
Other costs	0	0	0	0	- 440

Financial incomes	0	0	0	0	10
Financial costs	0	0	0	0	- 419
Profit/loss elimination between segments	0	0	0	0	0
Other profit or loss	0	0	0	0	0
Unassigned sums	0	0	0	0	0
Gross profit/loss from continuing operations	0	0	0	0	7,829

The Company has applied IFRS 8 "Operating Segments". In accordance with the requirements of IFRS 8, operating segments should be identified based on internal reports on these elements, which are regularly verified by persons deciding on the allocation of resources to a given segment and assessing its financial results. In terms of assets and liabilities, the main bodies responsible for making operational decisions do not analyze data cross-sectioned into operating segments.

Revenues from sale of products, services, goods and materials - geographical structure

The sales markets of the Makarony Polskie Group can be divided into the domestic market (including private label, traditional trade, modern trade and B2B and institutions) as well as exports (including sales through domestic intermediaries).

	For the period from 01.01 - 31.03.2023	For the period from 01.01 - 31.03.2023
Country	85,055	62,527
Exports, including:	4,056	6,395
- European Union countries	2,587	2,408
- other countries	1,469	3,987
Total	**89,111**	**68,922**

The sales revenue of the Makarony Polskie Group in Q1 2023 on domestic market amounted to approximately PLN 85 million and was approximately PLN 22.5 million higher compared to the similar period of 2022 figure.

The value of the Group's exports to the European Union market increased by approximately 7.4%, to an amount of approx. PLN 2.6 million in Q1 2023.

The value of the Group's exports to non-EU markets decreased by approximately 63.2%, to an amount of approximately PLN 1.5 million in Q1 2023. This is mainly due to the following factors:

- the high revenue base of Q1 2022 when there was a 'shopping panic' caused by the outbreak of war and sales of products with a long shelf life increased disproportionately,
- a significant increase in production costs among EU producers, which reduced the price competitiveness of these products, including the Group's products, in non-EU markets.

Data regarding the financial result and shares that were used to calculate basic and diluted earnings per share

	For the period from 01.01 - to 31.03.2023	For the period from 01.01 - until 31.12.2022	For the period from 01.01 - to 31.03.2022
Net profit/loss per share	0.66	2.22	0.64
Book value per one share in PLN	11.80	11.13	9.85

	For the period from 01.01 - to 31.03.2023	For the period from 01.01 - until 31.12.2022	For the period from 01.01 - to 31.03.2022
Net profit/loss from continuing operations attributable to shareholders of the parent company	7,288	24,458	7,087
Profit/loss on discontinued operations attributable to shareholders of the parent company	0	0	0
Net profit/loss attributable to shareholders of the parent company	7,288	24,458	7,087
Net profit/loss attributable to ordinary shareholders applied to calculate diluted profit/loss per share	0	0	0

	For the period from 01.01 - to 31.03.2023	For the period from 01.01 - to 31.12.2022	For the period from 01.01 - to 31.03.2022
Weighted average number of ordinary shares in issue used in the calculation of basic earnings/loss per share	11,040,071	11,040,071	11,040,071
Impact of dilution	not applicable	not applicable	not applicable
Adjusted weighted average number of ordinary shares used in the calculation of diluted earnings/loss per share	not applicable	not applicable	not applicable

Net profit falling per one share is calculated by dividing the net profit for the period falling to normal shareholder of the parent company by average weighed number of issued common shares present in the period.

Diluted earnings per share are calculated by dividing the net profit for the period attributable to ordinary shareholders of the parent company (net of interest on redeemable preference shares convertible into ordinary shares) by the weighted average number of ordinary shares outstanding during the period (adjusted for the effect of diluting options). and diluting redeemable preferred shares convertible into ordinary shares).

In the parent Company in Q1 of 2023, there were no factors diluting the corecapital.

Book value per share is the quotient of equity by the number of shares at a given balance sheet date.

Information on comparative changes to the consolidated financial statements for Q1 2022

Information on comparative changes to the consolidated financial statements for Q1 2022 regarding an error in the creation of a deferred tax liability on the revaluation of non-current assets to fair value in connection with the transition of the SAS subsidiary from the Accounting Act to IFRS and adjustments resulting from errors made by the company in the 2021 financial statements are presented below.

Due to the above, the acquisition of SAS was erroneously accounted for at the date of taking over control.

The following restatements were made for the consolidated report for the first quarter of 2022 year:

Consolidated statement of comprehensive income as at 31 March 2022

For the period	01.01.2022-31.03.2022 after adjustment	adjustment	01.01.2022-31.03.2022 before adjustment
Own cost	56,055	- 61	56,116
Cost of production od sold products and services	54,951	- 61	55,012
Gross profit (loss) on sales	12,867	- 61	12,806
Other revenues	4,536	- 2,951	7,487
Profit (loss) from continued operations	8,238	- 2,890	11,128
Gross profit	7,829	- 2,890	10,719
Income tax	742	48	694

Profit (loss) from continued operations, in this attributable to:	7,087	- 2,938	10,025
Shareholders of the parent Company	7,087	-2,938	10,025
Non-controlling shares	0	0	0
Basic net result per share in PLN	0.64	- 0.27	0.91
Diluted net result per share in PLN	0.64	- 0.27	0.91
Other total net income/loss	0	0	0
Total net income, in this attributable to:	7,087	- 2,938	10,025
Shareholders of the parent Company	7,087	- 2,938	10,025
Non-controlling shares	0	0	0

Consolidated statement of financial position as at 31 March 2022

ASSETS	31 March 2022 after adjustment	adjustment	31 March 2022 before adjustment
FIXED ASSETS	**151,387**	**- 150**	**151,537**
Deferred tax assets income tax	0	-150	150
CURRENT ASSETS	**82,015**	**58**	**81,957**
Inventories	27,443	61	27,382
Short-term receivables	37,612	3	37,609
Tax receivables income tax	540	- 6	546
TOTAL ASSETS	**234,811**	**- 92**	**234,903**

LIABILITIES	31 March 2022 after adjustment	adjustment	31.03.2022 before adjustment
EQUITY	**108,761**	**- 2,918**	**111,679**
Revaluation capital	19	19	0
Retained profit/loss (profit/loss from previous years)	13,013	- 2,937	15,950
LONG-TERM LIABILITIES	**51,090**	**2,824**	**48,266**
Provision on deferred income tax	6,082	2,824	3,258
SHORT-TERM LIABILITIES	**74,960**	**2**	**74,958**
Other short-term liabilities	53,495	- 4	53,499
Deferred income short-term	1,595	6	1,589
TOTAL LIABILITIES	**126,050**	**2,826**	**123,224**
TOTAL LIABILITIES	**234,811**	**- 92**	**234,903**

Consolidated statement of cash flows as at 31 March 2022

For the period	01.01.2022 31.03.2022 after adjustment	adjustment	01.01.2022 31.03.2022 before adjustment
Cash flows from operational activities			
Profit before tax	**7,829**	**- 2,890**	**10,719**
Adjustments by items:			
Change in receivables	-12,767	- 3	-12,764
Change in liabilities and other assets and liabilities	20,215	4	20,211
Other adjustments - negative goodwill of the company	- 4,164	2,890	- 7,054
Total adjustments	1,509	2,891	-1,382
Total adjustments	808	2,891	- 2,083

Consolidated statement of changes in equity 31 March 2022

after adjustment	Capital capital	Capital supplementary	Capital from revaluation	Capital reserve	Retained profit/loss	Total
Balance as at 1 January 2022	27,750	43,091	0	24,888	5,926	101,655
Distribution of profit/loss coverage	0	0	0	0	0	0
Profit distribution - dividend payment	0	0	0	0	0	0
Creation of capital reserve - own shares	0	0	0	0	0	0
Costs of issuing series F shares	0	0	0	0	0	0
Series F shares issue	5,370	7,518	0	- 12,888	0	0
14,139 14,139	0	0	19	0	0	19
Other total income	0	0	0	0	0	0
Net result after Q1 of 2022	0	0	0	0	7,087	7,087
As at 31 March 2022	33,120	50,609	19	12,000	13,013	108,761

before adjustment	Capital capital	Capital supplementary	Capital reserve	Profit/loss from previous years	In total
Balance as at 1 January 2022	27,750	43,091	24,888	5,925	101,654
Distribution of profit/loss coverage	0	0	0	0	0
Profit distribution - dividend payment 0	0	0	0	0	0
Creation of capital reserve - own shares	0	0	0	0	0

Other total income	0	0	0	0	0
Series F shares issue - registration of capital	5,370	7,518	-12,888		0
Net result after Q1 of 2022	0	0	0	10,025	10,025
As at 31 March 2022	33,120	50,609	12,000	15,950	111,679

Revaluation capital

The share capital of Makarony Polskie SA as at 31 March 2023 amounted to PLN 33,120,213. and was divided as follows:

	Type of share	Type of privilege	Number of Shares in units	Nominal number on 1 share (in PLN)	Value of the series (issue) at nominal value in PLN k	Method of capital coverage	Date of registration	Right to dividend (from)
Series A	bearer shares	ordinary shares	3,013,250	3	9,040	cash contributions	05.07.2004	01.01.2004
Series B	bearer ordinary	shares	1,169,750	3	3,509	non-cash contributions	29.10.2004	01.01.2004
Series C	bearer shares	ordinary shares	3,000,000	3	9,000	cash contributions	18.04.2007	01.01.2007
Series D	bearer shares	ordinary shares	1,735,821	3	5,207	cash contributions	22.06.2007	01.01.2007
Series E	bearer shares	ordinary shares	331,250	3	994	cash contributions	11.02.2008	01.01.2008
Series F	bearer shares	ordinary shares	1,790,000	3	5,370	cash contributions	04.03.2022	01.01.2021*
Total			**11,040,071**		**33,120**			

* * In accordance with §1, paragraph 7 of the Resolution No. 2021 of the Annual General Meeting of Makarony Polskie SA of

7 July 2021 on increasing the share capital by way of issuing series F bearer shares with exclusion of pre-emptive right and on amending the Company's Articles of Association, the series F shares will participate in the dividend from 1 January 2021, i.e. starting from the profit distributions for the financial year 2021, if they are registered in the securities depository up to and including the dividend date.

Information on changes in estimates related to the consolidated financial statements

Changes due to provisions

Changes in provisions as at 31.01.2023	As at 01.01.2023	Creation	Use and release	As at the end of the period
For pension and similar benefits, including:	2,916	506	219	3,203
a) long-term	495	0	0	495
b) short-term	2,421	506	219	2,708
Other provisions, including: 0	71	2,042	71	2,042
b) other	71	2,042	71	2,042
Total	2,987	2,548	290	5,245

Changes in provisions as at 31.12.2022	Balance as at 01.01.2022	As at 03.01.2022 - taking over control of SAS	Creation	Use and release	As at the end of the period
For pension and similar benefits, including:	1,651	353	980	68	2,916
a) long-term	400	159	0	64	495
b) short-term	1,251	194	980	4	2,421
Other provisions, including: 0	67	0	71	67	71
b) other	67	0	71	67	71
Total	1,718	353	1,051	135	2,987

Changes os status as at 31.03.2022	Balance as at 01.01.2022	As at 03.01.2022 - taking over control of SAS	Creation	Use and release	As at the end of the period
For pension and similar benefits, including:	1,651	353	72	0	2,076
a) long-term	400	159	5	0	564
b) short-term	1,251	194	67	0	1,512
Other provisions, including: 0	67	0	1,151	67	1,151
b) other	67	0	1,151	67	1,151
Total	1,718	353	1,223	67	3,227

The Group companies pay the retiring employees amounts of severance payments in the amount specified by the Labor Code and internal regulations. In relation to this, the Company based on the assessment performed by actuary, creates a reserve for current amount of liabilities by virtue of severance payments.

Calculation of the provision has been made for people currently employed and does not apply to persons who will be accepted for future work. The right to retirement bonuses is available to every employee who has reached the retirement age. For persons who are already pensioners (who have received a severance payment), the provision is not created.

Deferred income tax provision assets and provisions

Changes in status as at 31.01.2023	As at 01.01.2023	Creation	Use and release	As at the end of period
Asset for deferred income tax	942	618	271	1,289
Provision for deferred income tax	6,027	1,267	99	7,195
Asset/Provision after compensation	5,085			5,906

Changes in status as at 31.12.2022	Balance as at 01.01.2022	As at 03.01.2022 - taking over control of SAS	Creation	Use-up and release	As at the end of the period
Asset for deferred income tax	493	209	353	113	942
Provision for deferred income tax	3,705	3,072	17	767	6,027
Asset/Provision after compensation	3,212				5,085

Changes os status as at 31.03.2022	Balance as at 01.01.2022	As at 03.01.2022 - taking over control of SAS	Creation	Use-up and release	As at the end of the period
Asset for deferred income tax	493	209	468	153	1,017
Provision for deferred income tax	3,705	3,072	769	447	7,099
Asset/Provision after compensation	3,212				6,082

In terms of income tax, the Group is subject to general regulations in this area. The Group is not a tax Group, as well as does not operate in a special economic zone, which would differentiate the rules for determining tax charges in relation to general provisions in this respect. The tax year and the balance sheet year coincide with the calendar year. Makarony Polskie SA and Stoczek Natura Sp. z o.o. chose a simplified form of paying monthly advances on corporate income tax. As at 31 March 2023, a deferred tax provision in the amount of PLN 1,247 k has been created as the difference between the advances paid as shown in the statement of comprehensive income and the actual tax resulting from the calculated tax base.

WRITE-DOWNS ON ASSETS

Changes in status as at 31.03.2023	As at 01.01.2023	Creation	Use and release	As at the end of the period
Write-downs of receivables	227	0	0	227
Write-downs of inventories	196	259	0	455
Write-downs of tangible fixed assets 0	1,443	0	18	1,425
Write-downs of intangible assets	4,583	0	0	4,583

Changes in status as at 31.12.2022	Balance as at 01.01.2022	As at 03.03.2022– taking over control od SAS company	Creation	Use-up and release	As at the end of the period
Write-downs of receivables	541	0	114	428	227

Write-downs of inventories	316	0	187	307	196
Write-downs of tangible fixed assets	1,356	0	152	65	1,443
Write-downs of intangible assets	3,420	0	1,163	0	4,583

Changes in status as at 31.03.2022	Balance as at 01.01.2022	As at 03.03.2022– taking over control od SAS company	Creation	Use and release	As at the end of the period
Write-downs of receivables	541	0	0	0	541
Write-downs of inventories	316	0	0	0	316
Write-downs of tangible fixed assets	1,356	0	0	22	1,334
Write-downs of intangible assets	3,420	0	0	0	3,420

The Group monitors the assets on an ongoing basis; in the event of impairment, the Group writes down the value of the assets. In Q1 2023, there were premises for partial write-down of inventories, the Makarony Polskie Group made a write-down of inventories on finished goods and raw material in the total amount of PLN 259 thousand.

Dividends paid and proposed for payment

Makarony Polskie SA did not pay any dividends in the Q1 and until the publication. In 2023, the

Company's Management Board decided to recommend to the Annual General Meeting
Meeting that the net profit for the period from 1 January 2022 to 31 December 2022 in the amount of PLN 10,462,290.10 (in words: ten million four hundred and sixty-two thousand two hundred and ninety zlotys 10/100) be distributed as follows:

- the amount of PLN 6,624,042.60 (in words: six million six hundred and twenty-four thousand forty-two zlotys 60/100) is proposed to be earmarked for the payment of dividends, which means the payment of a dividend per share of PLN 0.60 (in words: sixty cents) gross,
- the remaining part of the profit in the amount of PLN 3,838,247.50 (three million eight hundred and thirty-eight thousand two hundred and forty-seven zlotys 50/100) is proposed to be allocated to the reserve capital of Makarony Polskie SA.

At the same time, the Management Board decided to recommend to the Ordinary General Meeting to set the following dates of the dividend date and dividend payment:

- 14 July 2023 - dividend date, i.e. the date of determination of the list of shareholders entitled to dividend for 2021,

– 21 August 2023 - dividend payment date.

According to Article 382 §3 of the Commercial Companies Code, this recommendation was presented by the Management Board to the Supervisory Board for information and received a positive opinion of the Supervisory Board. The final decision on the distribution of profit for the financial year 2022 will be made by the Company's Annual General Meeting.

The Management Board of Makarony Polskie SA decided that in the next financial years it would also try to recommend to the Annual General Meeting the payment of dividends to shareholders, although each time the possibility of paying a dividend will depend on the amount of profit achieved, current investment objectives and the situation.

Settlements between affiliates

During the Q1 of 2023, Makarony Polskie SA did not conclude any significant transactions under the terms other than market terms.

Within the Makarony Polskie Company, individual companies enter into transactions of purchase and sale of products, goods and services among themselves. There are agreements between the companies specifying the terms of cooperation, adapted to the Group's organizational structure. All transactions are performed under the market terms and conditions.

Affiliate	Sales to affiliates- comprehensive income		Purchases from affiliates	
	For the period	For the period	For the period	For the period
	from 01.01 to 31.03.2023	from 01.01 to 31.03.2022	from 01.01 to 31.03.2023	from 01.01 to 31.03.2022
Parent company - Makarony Polskie S.A.	676	86	13,854	11,441
from/to Stoczek Sp. z o.o.	105	68	9,384	7,775
from/to MP Trade Sp. z.o.o.	15	4	1,767	758
from/to PPH „SAS" Sp. z o.o.	556	14	2,703	2,908

Affiliate	Receivables from affiliates		Liabilities towards affiliates	
	As at 31.03.2023	As at 31.03.2022	As at 31.03.2023	As at 31.03.2022
Parent company - Makarony Polskie S.A.	649	62	9,930	5,027
- from/to Stoczek Sp. z o.o.	104	58	7,241	3,152
from/to MP Trade Sp. z.o.o.	4	1	773	671
from/to PPH „SAS" Sp. z o.o.	541	3	1,916	1,204

Settlements between subsidiaries

Subsidiaries	Sales between subsidiaries -total revenues		Purchases between subsidiaries	
	For the period	For the period	For the period	For the period
	from 01.01 to 31.03.2023	from 01.01 to 31.03.2022	from 01.01 to 31.03.2023	from 01.01 to 31.03.2022
Total subsidiary	196	1	196	1
from/to Stoczek Sp. z o.o.	1	1	195	0
from/to MP Trade Sp. z.o.o.	195	0	1	1
from/to PPH „SAS" Sp. z o.o.	0	0	0	0

Subsidiaries	Receivables between subsidiaries		Liabilities between subsidiaries	
	As at 31.03.2023	As at 31.03.2022	As at 31.03.2023	As at 31.03.2022
Total subsidiary	0	0	0	0
- from/to Stoczek Sp. o.o. 0	0	0	0	0
from/to MP Trade Sp. z.o.o.	0	0	0	0
from/to PPH „SAS" Sp. z o.o.	0	0	0	0

Information regarding the issue, redemption and repayment of debt securities

In Q1 2023, the companies of the Makarony Polskie Group neither issued nor made a repurchase and repayment of debt securities.

Information regarding executed and planned share issues

During Q1 2023 and until the publication date of this report, the Company did not carry out any share issues.

Agreements and events material for the Group's operations

During Q1 of 2023 and until the date of publication of these statements, the Company did not issue any shares, that would meet the criteria of the significant contract.

Information on financial liabilities due to concluded credit, factoring and leasing agreements

Information on loans and guarantees obtained as at 31 March 2023.

LONG- AND SHORT-TERM LOANS AND BORROWINGS

	31.03.2023	31.12.2022
- long-term part	12,111	13,133
- short-term part	15,213	13,220
Total	**27,324**	**26,353**

The status of loan and factoring agreements in effect as at 31 March 2023, for which Makarony Polskie SA was a party to the agreements, is presented in the tables below:

– Overdraft in Santander Bank Polska SA

Loan terms and conditions	31 March 2023
Loan contractual value	PLN 5,000 k
Loan period	18.10.2013 – 31.05.2023
Interest rate	WIBOR 1M + the bank's margin that does not differ from the standards applied by the bank
Loan balance	PLN 618 k
Repayment schedule	once on the liability maturity date
Loan collateral	– joint mortgage up to PLN 17,000 on the following real estates: a) a) KW No. RZ1Z/00076860/5 in Rzeszów and KW No. PL1P/00094893/6 in Płock, together with the assignment of rights under the real estate insurance policy, b) KW no. PL1P/00097530/5, KW no. PL1P/00114158/9 and KW no. PL1P/00097363/3 (on the shares held) in Płock; – blank promissory note issued by the Company together with a promissory note declaration; – registered pledge on inventory of not less than PLN 5 000 k together with assignment of rights under the pledge insurance policy, – surety of Stoczek Natura Sp. z o.o., – declaration on submission to enforcement made pursuant to Article 777 of the Code of Civil Procedure, in the form of a notarial deed

– Investment loan at Santander Bank Polska SA

Loan terms and conditions	31 March 2023
Loan contractual value	PLN 13,849 k
Loan period	18.10.2013 – 30.12.2023
Interest rate	WIBOR 1M + the bank's margin that does not differ from the standards applied by the bank
Loan balance	PLN 1,044 k

Repayment schedule	The loan will be repaid in 49 monthly installments in the following amounts: 48 instalments of PLN 105 thousand each and the final 49 equalising instalment of PLN 96 k.
Loan collateral	– joint mortgage up to PLN 17,000 on the following real estates: a) a) KW No. RZ1Z/00076860/5 in Rzeszów and KW No. PL1P/00094893/6 in Płock, together with the assignment of rights under the real estate insurance policy, b) KW no. PL1P/00097530/5, KW no. PL1P/00114158/9 and KW no. PL1P/00097363/3 (on the shares held) in Płock; – registered pledge on fixed assets (production lines in the plant in Rzeszów) along with the assignment of rights under the insurance policy for the subject-matter of the pledge, – blank promissory note issued by the Company together with a promissory note declaration; – civil law surety of Stoczek Natura Sp. z o.o., – declaration on submission to enforcement made pursuant to Article 777 of the Code of Civil Procedure, in the form of a notarial deed

– EU investment loan at Santander Bank Polska SA

Loan terms and conditions	31 March 2023
Loan contractual value	PLN 12,121 k
Loan period	07.02.2017 - 28.12.2023
Interest rate	WIBOR 3M + the bank's margin that does not differ from the standards applied by the bank
Loan balance	PLN 1,630 k
Repayment schedule	The loan will be repaid in 37 monthly instalments in the following amounts 36 instalments of PLN 50 thousand, 37th instalment of PLN 9,061 thousand. PLN 9,061 thousand, the EU refinancing received will reduce the balloon instalment
Loan collateral	– joint mortgage up to PLN 18,200 on the following real estates: a) a) KW No. RZ1Z/00076860/5 in Rzeszów and KW No. PL1P/00094893/6 in Płock, together with the assignment of rights under the real estate insurance policy, b) KW no. PL1P/00097530/5, KW no. PL1P/00114158/9 and KW no. PL1P/00097363/3 (on the shares held) in Płock; – registered pledge on a semi-industrial line for trials and tests along with instrumentation, along with the assignment of rights under the insurance policy for the subject-matter of the pledge, – blank promissory note issued by the Company together with a promissory note declaration, – declaration on submission to enforcement made pursuant to Article 777 of the Code of Civil Procedure, in the form of a notarial deed

The loan is intended to finance the investment project "Establishment of the Centre Research and Development Centre for the Pasta Industry at Makarony Polskie SA".

– EU investment loan at Santander Bank Polska SA

Loan terms and conditions	31 March 2023
Loan contractual value	PLN 8 000 k
Loan period	15.09.2017 - 31.12.2023

Interest rate	WIBOR 3M + the bank's margin that does not differ from the standards applied by the bank
Loan balance	PLN 343 k
Repayment schedule*	The loan will be repaid in 49 principal instalments, including 48 instalments in the amount of PLN 33 k PLN, 49th instalment in the amount of PLN 79 k.
Loan collateral	– joint mortgage up to PLN 2,500 on the following real estates: a) a) KW No. RZ1Z/00076860/5 in Rzeszów and KW No. PL1P/00094893/6 in Płock, together with the assignment of rights under the real estate insurance policy, b) KW no. PL1P/00097530/5, KW no. PL1P/00114158/9 and KW no. PL1P/00097363/3 (on the shares held) in Płock; – registered pledge on the technological line purchased under the grant project along with the assignment of rights under the insurance policy for the subject-matter of the pledge, – blank promissory note issued by the Company together with a promissory note declaration, – declaration on submission to enforcement made pursuant to Article 777 of the Code of Civil Procedure, in the form of a notarial deed

The loan is intended to finance the investment project "Implementation of the results of research and development in the field of functional food at Makarony Polskie SA".

– Investment loan at Santander Bank Polska SA

Loan terms and conditions	31 March 2023
Loan contractual value	PLN 4,400 k
Loan period	10.06.2021 – 30.01.2026
Interest rate	WIBOR 1M + the bank's margin that does not differ from the standards applied by the bank
Loan balance	PLN 3,649 k
Repayment schedule	The loan will be repaid in 41 equal monthly instalments, in amount of PLN 107 k each
Loan collateral	– de minimis guarantee in the amount of 80% of the Loan amount; – declaration on submission to enforcement made pursuant to Article 777 of the Code of Civil Procedure, in the form of a notarial deed – blank promissory note issued by the Company together with a promissory note declaration; as a surety of de minimis guarantee.

– Revolving loan in Santander Bank Polska SA

Loan terms and conditions	31 March 2023
Loan contractual value	PLN 1,700 k
Loan period	10.06.2021 – 30.05.2023
Interest rate	WIBOR 1M + the bank's margin that does not differ from the standards applied by the bank
Loan balance	PLN 1,700 k
Repayment schedule	once on the liability maturity date

Loan collateral	– de minimis guarantee in the amount of 80% of the Loan amount; – declaration on submission to enforcement made pursuant to Article 777 of the Code of Civil Procedure, in the form of a notarial deed – blank promissory note issued by the Company together with a promissory note declaration; as a surety of de minimis guarantee.

– Investment loan at Santander Bank Polska SA

Loan terms and conditions	31 March 2023
Loan contractual value	PLN 12,000 k
Loan period	07.12.2021 – 31.03.2029
Interest rate	WIBOR 1M + the bank's margin that does not differ from the standards applied by the bank
Loan balance	PLN 10,320 k
Repayment schedule	The loan will be repaid in 82 monthly instalments in the following amounts: 81 instalments of PLN 144 k each and the last 82 equalizing instalments in the amount of PLN 96 k each.
Loan collateral	– – a contractual joint mortgage up to the amount of PLN 18,000 k on the following real estates of SAS Sp. z o.o. in Korpele: KW No. OL1S/00032815/5, KW No. OL1S/00039349/6, KW No. OL1S/00044965/8 together with the assignment of rights under the real estate insurance policy; – registered pledge on 100% of shares in SAS Sp. z o.o.; – accession to debt by SAS Sp. z o.o.; – blank promissory note issued by the Company together with a promissory note declaration; – statement of the Company and SAS Sp. z o.o. and the Guarantor on submission to enforcement made pursuant to Article 777 of the Code of Civil Procedure, in the form of a notarial deed

– Overdraft in BNP Paribas Bank Polska SA

Loan terms and conditions	31 March 2023
Loan contractual value	PLN 7,000 k
Loan period	19.11.2021 - 31.10.2023
Interest rate	WIBOR 1M + the bank's margin that does not differ from the standards applied by the bank
Loan balance	PLN 1,791 k
Repayment schedule	once on the liability maturity date
Loan collateral	– contractual mortgage up to the amount of PLN 10,500 thousand on real estate in Częstochowa marked with KW no. CZ1C/00111425/8 together with assignment of rights from the real estate insurance policy, – blank promissory note issued by the Company together with a promissory note declaration, – declaration on submission to enforcement made pursuant to Article 777 of the Code of Civil Procedure, in the form of a notarial deed

– Factoring agreement (full) in Santander Factoring Sp. z o.o.

Terms of the agreement	31 March 2023
Contractual value	PLN 7,500 k

Duration	Agreement concluded for an indefinite period
Interest rate	WIBOR 1M + the bank's margin that does not differ from the standards applied by the bank
Factoring balance	PLN 4,644 k
Contract collateral	– irrevocable power of attorney to the account, – blank promissory note with a promissory note declaration

During Q1 2023, Makarony Polskie SA concluded an annex to the factoring agreement with Santander Factoring Sp. z o.o., which extended the factoring limit from 31 March 2023 to 31 January 2024.

The status of loan agreements in effect as at 31 March 2023, for which Stoczek Natura Sp. z o.o. was a party to the agreements, is presented in the tables below:

– Overdraft in Bank Gospodarstwa Krajowego

Loan terms and conditions	31 March 2023
Contractual value of the loan;	PLN 4,000 k
Loan period*	16.11.2017 – 15.11.2024
Interest rate	WIBOR 3M + the bank's margin that does not differ from the standards applied by the bank
Loan balance	PLN 3,990 k
Repayment schedule	once on the liability maturity date
Loan collateral	– contractual mortgage up to PLN 6,000 k on real estate marked in KW No. LU1U/00022979/2 located in Stoczek Łukowski together with the assignment of rights from the property insurance policy, – authorization to a current account kept at the Bank, – registered pledge on the set of machines and devices (located in the plant in Stoczek Łukowski), along with the assignment of rights under the insurance policy for the subject-matter of the pledge, – surety of Makarony Polskie SA, – the declaration of the company and the Guarantor on submission to execution made pursuant to Article 777 of the Code of Civil Procedure in the form of a notarial deed.

– Investment loan at Bank Gospodarstwa Krajowego*

Loan terms and conditions	31 March 2023
Loan contractual value	PLN 4,812 k
Loan period	08.07.2019 – 08.05.2025
Interest rate	WIBOR 3M + the bank's margin that does not differ from the standards applied by the bank
Loan balance	PLN 2,228 k
Repayment schedule	in 54 monthly installments in the amount of 89 k each

Loan collateral	– contractual mortgage up to PLN 7,218 k on real estate marked in KW No. LU1U/00022979/2 located in Stoczek Łukowski together with the assignment of rights from the property insurance policy, – authorization to a current account kept at the Bank, – registered pledge on the set of machines and devices (located in the plant in Stoczek Łukowski), along with the assignment of rights under the insurance policy for the subject-matter of the pledge, – blank promissory note issued by the Company together with a promissory note declaration, – surety of Makarony Polskie SA, – the declaration of the company and the Guarantor on submission to execution made pursuant to Article 777 of the Code of Civil Procedure in the form of a notarial deed.

* The loans taken by Stoczek Natura Sp. z o.o. at Bank Gospodarstwa Krajowego in July 2019 were intended to finance an investment related to the project entitled "Increasing the competitiveness of Stoczek Natura Sp. z o.o. of implementing innovative solutions by modernising the production line for ready meals in jars and cans and introducing new, innovative products on trays to the company's offer. As part of the project, Stoczek Natura Sp. z o.o. carried out the purchase of fixed assets and the modernisation of production premises.

Information on lease financing liabilities as at 31 March 2023.

– LIABILITIES FROM FINANCE LEASING CONTRACTS

	Total present value of minimum fees	
	as at 31.03.2023	as at 31.12.2022
up to 1 year	528	439
within 1 to 5 years	734	670
Total	**1,262**	**1,109**

LIABILITIES FROM FINANCE LEASING CONTRACTS: MSSF-16

	Total present value of minimum fees	
	as at 31.03.2023	as at 31.12.2022
up to 1 year - lease	872	921
up to 1 year – Perpetual usufruct right to land 4	4	4
within 1 to 5 years - lease	1,699	1,667
in the period over one year - Perpetual usufruct right to land	1,189	1,191
Total	**3,764**	**3,783**

As at 01 January 2019, Makarony Polskie SA introduced disclosures to fixed assets due to the application of IFRS -16, fixed assets used under lease agreements.

The carrying amount of fixed assets as at 31 March 2023 was PLN 3 687 k,
including due to the lease of premises amounting to PLN 2 549 k and the right of perpetual usufruct of

land amounting to PLN 1,138 thousand, and as at 31 December 2022, the carrying amount of fixed assets was PLN 3,699 k, including the lease of premises amounting to PLN 2,556 k and the right of perpetual usufruct amounting to PLN 1,143 k.

– FINANCIAL OBLIGATION - POLISH DEVELOPMENT FUND SUBSIDY

	as at 31.03.2023	as at 31.12.2022
up to 1 year	621	807
within 1 to 5 years	0	0
Total	**621**	**807**

Information on loans granted

As at 31 March 2023, Makarony Polskie SA granted its subsidiary Stoczek Natura Sp. z o.o. short-term loan in the amount of PLN 2.00 m with the repayment date falling on 31 December 2023 (one-off repayment until the maturity date of the liability). The interest rate on the loan was set based on market conditions.

As at 31 March 2023, SAS Sp. z o.o. was providing a short-term borrowing to related company MP Trade Sp. z o.o. in the total amount of PLN 3.7 million, with a final repayment date of 30 December 2023. As at 31 March 2023, the balance of the loan was PLN 0.5 million. The loan was repaid by MP Trade Sp. z o.o. after the end of the reporting period - in April 2023.

Information on guarantees given and received

In Q1 of 2023, Makarony Polskie SA granted the guarantee to its affiliate SAS Sp. z o.o. The guarantees received were used by Makarony Polskie SA, Stoczek Natura Sp. z o.o. and SAS Sp. z o.o.

The list of guarantees in force at Makarony Polskie SA as at 31 March 2023 is illustrated in the table below:

Guarantor	Guarantee amount in PLN k	Expiry date of the guarantee	Subject of the guarantee	Collateral
Santander Bank Polska SA	157	until 31.01.2024	guarantee securing the Company's contractual obligations under institutional contract concluded	– blank promissory note with a promissory note declaration;

Santander Bank Polska SA	457	until 31.03.2027	guarantee securing the Company's contractual obligations under institutional contract concluded	– joint mortgage up to the amount of PLN 18 200 thousand on the Company's real properties in Rzeszów (KW no. RZ1Z/00076860/5) and in Płock (KW no. PL1P/00094893/6, KW no. PL1P/00097530/5, KW no. PL1P/00114158/9, KW no. PL1P/00097363/3), together with with assignment of rights under the policy property insurance; – blank promissory note with promissory note declaration; – the company's declaration of submission to enforcement pursuant to art. 777 k.p.c. in the form of a notarial deed

A summary of the guarantees in force at Stoczek Natura Sp. z o.o. as at 31 March 2023 is shown in the table below:

Guarantor	Guarantee amount in PLN k	Expiry date of the guarantee	Subject of guaranteed the guarantee	Collateral
Bank Gospodarstwa Krajowego	335	until 16.01.2026	guarantee securing the Company's contractual obligations under institutional contract concluded	– blank promissory note issued by the Company together with a promissory note declaration; – authorization to a current account kept at the Bank; – surety of Makarony Polskie SA, – declaration on submission to enforcement made pursuant to Article 777 of the Code of Civil Procedure, in the form of a notarial deed
Bank Gospodarstwa Krajowego	2,235	until 31.12.2024	guarantee securing the Company's contractual obligations under institutional contract concluded	– blank promissory note issued by the Company together with a promissory note declaration; – authorization to a current account kept at the Bank; – surety of Makarony Polskie SA, – declaration on submission to enforcement made pursuant to Article 777 of the Code of Civil Procedure, in the form of a notarial deed submitted by the company and the guarantor
Bank Gospodarstwa Krajowego	559	until 31.03.2026	guarantee securing the Company's contractual obligations under institutional contract concluded	– blank promissory note issued by the Company together with a promissory note declaration; – authorization to a current account kept at the Bank; – surety of Makarony Makarony Polskie SA

Statement of guarantees applicable in SAS Sp. z o.o. as at 31 March 2023 is shown in the table below:

Guarantor	Guarantee amount in PLN k	Expiry date of the guarantee	Subject of guaranteed the guarantee	Collateral
Makarony Polskie SA	800	until 30.06.2025	guarantee securing SAS's obligations under its power purchase agreement	–

INFORMATION ON GRANTED AND RECEIVED SURETIES

Makarony Polskie S.A. provided sureties to its subsidiary Stoczek Natura Sp. z o.o, and their status as at 31 March 2023 is presented below:

External liabilities	Creditor name	The amount of surety in PLN k	Data date	Status of the secured liability in PLN k as at 31.03.2023
Surety for an open-end credit facility in an Current account in the amount of PLN 4.0m	Bank BGK	6,000	15.05.2025	3,990
Surety of investment loan in the amount of PLN 4.8m	Bank BGK	4,812	08.11.2025	2,228
Surety for a bank guarantee in the amount of PLN 1.5 m	Bank BGK	335	16.07.2026	-
Surety for a bank guarantee in the amount of PLN 2,2 m	Bank BGK	2,235	30.06.2025	-
Surety for a bank guarantee in the amount of PLN 0.5m	Bank BGK	559	30.09.2026	-

Makarony Polskie SA received remuneration for granting sureties.

Stoczek Natura Sp. z o.o. granted sureties to the parent company Makarony Polskie SA, and their status as at 31 March 2023 is presented below:

External liabilities	Creditor name	The amount of surety in PLN k	Expiration date	Status of the secured liability in PLN k as at 31.03.2023
Surety for an overdraft facility in the amount of PLN 5.0 m	Santander Bank Polska SA	15,366	30.12.2026	618
Surety for an investment loan in the amount of PLN 13.8m	Santander Bank Polska SA			1,044

Stoczek Natura Sp. z o.o. received remuneration for granting sureties.

Off-balance items

Off-balance sheet items (in PLN k)	31 March 2023	31 December 2022
1. Contingent assets	**3,802**	**3,243**
- received guarantees and sureties	3,743	3,184
- collaterals on assets	0	0
- promissory notes	59	59
2. Contingent liabilities	**184,700**	**185,337**
- for provided guarantees and warranties	0	0
- collaterals on property	141,685	141,685
- promissory note obligations	43,015	43,652
Total off-balance items	**- 180,898**	**-182,094**

The values of guarantees received, collaterals, promissory notes, mortgages and other off-balance sheet liabilities in the table above have been presented at maximum values. The statement does not include sureties between entities within the Group due to the lack of inflows on the balance of off-balance sheet items.

Material proceedings pending before a court or an authority competent for arbitration or a public administration authority

In the presented reporting period, there were no proceedings pending before any court, arbitration body or public administration authority concerning material liabilities and receivables of Makarony Polskie SA or its Subsidiary.

Other material events and transactions

There were no other material events or transactions during the first quarter of 2023 requiring disclosure in these Group financial statements.

Significant events after the balance sheet date

There were no events after the balance sheet date other than those described in this report that would have a material impact on the activities of the Makarony Polskie Group.

Condensed separate financial statements of Makarony Polskie Company for the period between 1st January to 31 March of 2023

Selected financial data of Makarony Polskie SA

Selected financial data	31 March 2023	31 March 2022	31 March 2023 in EUR k)	31 March 2022 in EUR k)
Net sales revenue from goods and materials sold	66,339	51,752	14,113	11,136
Profit (loss) from continued operations	4,077	2,798	867	602
Gross profit (loss)	3,551	2,474	755	532
Net profit (loss) from continued operations	2,699	1,962	574	422
EBIT	4,077	2,798	867	602
EBITDA (EBIT + depreciation)	5,771	4,324	1,228	930
Net cash flows from operating activities	1,751	6,968	373	1,499
Net cash flows from investment activities	- 1,156	- 14,498	- 246	- 3,120
Net cash flows from financial activities	- 293	- 3,017	- 63	- 649
Total net cash flows	302	- 10,547	64	- 2,270
Total assets ***	196,069	195,318	41,935	41,647
Liabilities and provisions for liabilities ***	89,320	91,268	19,104	19,461
Long-term liabilities ***	32,627	32,963	6,978	7,029
Short-term liabilities ***	56,693	58,305	12,126	12,432
Equity ***	106,749	104,050	22,831	22,186
Share capital ***	33,120	33,120	7,084	7,062
Number of shares (units)	11,040,071	11,040,071	11,040,071	11,040,071
Weighted average number of shares (in units) during the financial year in question	11,040,071	11,040,071	11,040,071	11,040,071
Profit/loss per ordinary share (in PLN/EUR) *	0.24	0.18	0.05	0.04
Book value per one share (in PLN/EUR)**	9.67	9.42	2.07	2.01

* Net profit/loss per ordinary share = net result/weighted average number of shares in the period

** Book value per one ordinary share = equity/number of shares at a given balance sheet date

*** Comparable data regarding the statement of financial position as at 31 December 2022 Condensed statement on total revenues of Makarony Polskie SA

Statements of comprehensive revenues of Makarony Polskie SA

For the period	01.01.2023-31.03.2023	01.01.2022-31.03.2022
Net sales revenue	66,339	51,752
Revenues from sales of other products and services	54,919	42,106
Net revenue from sales of goods and materials	11,420	9,646
Own cost	52,409	42,428
Production costs of products and services sold	41,832	34,127
Value of goods and materials sold	10,577	8,301
Gross profit (loss) on sales	13,930	9,324
Costs of sales	7,787	5,336
General administrative costs	1,548	1,136
Other revenues	336	348
Other costs	854	402
Profit (loss) from continued operations	4,077	2,798
Financial incomes	38	25
Financial costs	564	349
Gross profit	3,551	2,474
Income tax	852	512
Profit (loss) from continued operations, in this attributable to:	2,699	1,962
Shareholders of the parent Company	2,699	1,962
Non-controlling shares	0	0
Basic net result per share in PLN	0.24	0.18
Diluted net result per share in PLN	0.24	0.18
Other total net income/loss	0	0
Total net income, in this attributable to:	2,699	1,962
Shareholders of the parent Company	2,699	1,962
Non-controlling shares		

Statements of the financial position of Makarony Polskie SA

ASSETS	31.03.2023	31.12.2022	31.03.2022
FIXED ASSETS	**133,625**	**132,805**	**135,261**
Fixed tangible assets	76,920	76,063	78,334
Right-of-use assets- IFRS - 16	3,503	3,504	3,771
Investment real estate 603	603	603	603
47,190	0	0	0
Other intangible assets	5,385	5,411	5,309
Long-term financial assets including:	47,190	47,190	47,190
Shares	47,190	47,190	47,190
Borrowings granted	0	0	0
Assets for deferred income tax	0	0	0
Other long-term assets	24	34	54
CURRENT ASSETS	**62,444**	**62,513**	**59,560**
Inventories	27,846	29,809	14,155
Short-term receivables	31,419	29,915	27,102
Tax receivables income tax	0	0	508
Borrowings granted	2,012	2,012	2,005
Cash and cash equivalents	762	461	15,449
Other short-term assets	405	316	341
FIXED ASSETS FOR SALE	0	0	0
TOTAL ASSETS	**196,069**	**195,318**	**194,821**

LIABILITIES	31.03.2023	31.12.2022	31.03.2022
EQUITY	**106,749**	**104,050**	**98,862**
Revaluation capital	33,120	33,120	33,120
Supplementary capital	48,468	48,468	46,746
Reserve capital	12,000	12,000	12,000
Retained profits/losses (profit/loss from previous years)	13,161	10,462	6,996
LONG-TERM LIABILITIES	**32,627**	**32,963**	**40,527**

Statement of financial position of Makarony Polskie SA

Provision on deferred income tax	2,845	2,213	3,047
Long-term bank loans and borrowings	10,953	11,707	17,110
Other long-term financial liabilities	0	0	123
Provision on pension and similar benefits, (long-term)	340	340	345
Revenues of future periods - long-term	15,014	15,332	16,459
Long-term financial liabilities - leasing	3,475	3,371	3,443
SHORT-TERM LIABILITIES	**56,693**	**58,305**	**55,432**
Short-term bank loans and borrowings	10,154	8,740	10,417
Other short-term financial liabilities 368	123	214	368
Short-term financial liabilities - leasing	1,221	1,169	1,053
Income tax receivables	1,133	1,237	0
Other short-term liabilities	39,051	44,108	40,401
Revenues of future periods - short-term	1,273	1,273	1,302
Provision on pension and similar benefits, (short-term)	1,850	1,564	932
Other short-term provisions	1,888	0	959
TOTAL LIABILITIES	**89,320**	**91,268**	**95,959**
TOTAL LIABILITIES	**196,069**	**195,318**	**194,821**

Statement of cash flows of Makarony Polskie SA

For the period	01.01.2023-31.03.2023	01.01.2022-31.03.2022
Cash flows from operational activities		
Profit before tax	**3,551**	**2,474**
Adjustments by items:		
Depreciation	1,694	1,526
Profits/losses on exchange differences	1	125
Interest expense and income	484	312
Profit/loss from investing activities	2	- 3
Change in provisions	2,175	1,030
Change in inventories	1,963	- 748
Change in receivables	-2,479	- 4,696
Change in liabilities and other assets and liabilities	- 5,316	7,432
Other adjustments	0	0
Total adjustments	- 1,476	4,978
Proceeds from dividends	0	0
Corporate income tax paid /reimbursed	- 324	- 484
Cash flows from net operating activities	**1,751**	**6,968**
Cash flows from investment activity		
Proceeds from the sale of fixed assets and intangible assets	4	21
Proceeds from sales of financial assets	0	0
Expenses for the acquisition of fixed tangible assets and intangible assets	- 1,195	- 2,169
Expenses for the acquisition of subsidiaries and affiliates	0	- 12,363
Interest income	35	13
Proceeds from borrowings granted 0	0	0
Borrowings granted	0	0
Other	0	0
Net cash flows from investment activities	**- 1,156**	**- 14,498**
Cash flows from financial activities		

Consolidated statement of cash flows of Makarony Polskie SA

Proceeds from loans and borrowings	1,978	172
Repayment of loans and borrowings	- 1,318	- 2,103
Payment of liabilities under financial lease agreements	- 342	- 667
Interest paid	- 519	- 327
Dividend paid to shareholders	0	0
Payment of other financial liabilities	- 92	- 92
Expenses for the purchase of financial assets	0	0
Other financial revenue	0	0
Net cash flows from financial activities	**- 293**	**- 3,017**
Increase/decrease in cash and cash equivalents	**302**	**-10,547**
Cash, cash equivalents and overdraft facilities at the beginning of the period	461	26,121
Foreign exchange gains/losses on the valuation of cash, cash equivalents and overdrafts	- 1	- 125
Cash, cash equivalents and overdrafts at the end of the period	**762**	**15,449**

Statement of changes in equity of Makarony Polskie SA

For the period from 01 January 2023 to 31 March 2023

	Capital capital	Capital supplementary	Capital reserve	Profit/loss from previous years	In total
As at 01 January 2023	33,120	48,468	12,000	10,462	104,050
Distribution of profit/loss coverage	0	0	0	0	0
Issue of shares	0	0	0	0	0
Profit distribution - payment dividend	0	0	0	0	0
Creation of capital reserve - own shares	0	0	0	0	0
Other comprehensive income	0	0	0	0	0
Net result after Q1 of 2023	0	0	0	2,699	2,699
As at 31 March 2023	33,120	48,468	12,000	13,161	106,749

For the period from 01 January 2022 to 31 December 2022

	Capital capital	Capital supplementary	Capital reserve	Profit/loss from previous years	In total
Balance as at 1 January 2022	27,750	39,228	24,888	5,034	96,900
Distribution of profit/loss coverage	0	1,722	0	-1,722	0
Profit distribution - payment dividend	0	0	0	-3,312	- 3,312
Creation of capital reserve - own shares	0	0	0	0	0
Issue of shares	5,370	7,518	-12,888		0
Other total income	0	0	0	0	0
Net result in 2022	0	0	0	10,462	10,462
As at 31 December 2022	33,120	48,468	12,000	10,462	104,050

For the period from 01 January 2022 to 31 March 2022

	Capital capital	Capital supplementary	Capital reserve	Profit/loss from previous years	In total
Balance as at 1 January 2022	27,750	39,228	24,888	5,034	96,900
Distribution of profit/loss coverage	0	0	0	0	0
Series F shares issue - registration of capital	5,370	7,518	- 12,888	0	0
Profit distribution - payment dividend	0	0	0	0	0
Creation of capital reserve - own shares	0	0	0	0	0
Other total income	0	0	0	0	0
Net result after Q1 of 2022	0	0	0	1,962	1,962

As at 31 March 2022	33,120	46,746	12,000	6,996	98,862

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Zenon Daniłowski
President of the Board

Rzeszów, 26 May 2023

Information about company

Makarony Polskie SA
with its seat in Rzeszów
ul. Podkarpacka 15A; 35-082 Rzeszów
www.makarony.pl

It was registered with the District Court in Rzeszów, XII Commercial Division of the National Court Register on 5 July 2004 under number 0000212001.

Share capital: PLN 33,120,213 - paid up in full

tel. 17 875 30 10; fax 17 875 30 20

You are welcome to contact us by e-mail:

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The source of data in this report, unless otherwise indicated, is the Makarony Polskie Group.