Makarony Polskie

- SPÓŁKA AKCYJNA -

Condensed Consolidated Financial Statements of the Makarony Polskie Group for the period from 1 January to 30 September 2022



Rzeszów, 16 November 2022

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General information

Organizational structure of the Makarony Polskie Group

The Makarony Polskie Group ("the Group") consists of the following four companies:

- Makarony Polskie SA ("the Company", "the parent company")
- Stoczek Natura Sp. z o.o.
- MP Trade Sp. z o. o.
- Przedsiębiorstwo Produkcyjno-Handlowe „SAS" Andrzej Świderski Sp. z o.o.



Makarony Polskie SA is a manufacturer of a wide range of pasta, produced in stamped and rolled technology. The Company offers pasta in many different shapes, made on the basis of durum flour and wheat flour. In its portfolio, the Company also has products that respond to the trends of pro-health food, such as pasta from spelled, buckwheat, rye flours. The range of products is enriched with large pasta shapes for stuffing and vegetable pasta made from legumes such as chickpeas, red lentils and green peas. The company has great opportunities to expand the range of pasta made from rare flours, such as legumes, and the portfolio will be developed accordingly.

The basic pasta brands offered are Makarony Polskie, Sorenti and Abak (bibrand with Makarony Polskie).

Stoczek Natura Sp. z o.o. is a manufacturer of meat and vegetable preserves (ready meals in jars, trays and cans, lard and meat), vegetable preserves (salads, marinades), processed fruit (jams, plum confectioners) offered under Stoczek, Tenczynek, Męska Rzecz brands, and also the new SoFood brand, which represents the development category of ready-made dishes on trays and in cups. Products that are easy to prepare and can be placed on the so-called dry shelf.

Within the Group, individual companies conclude with each other transactions of purchase and sale of products, goods and services.

All transactions are performed under the market terms and conditions.

MP Trade Sp. z o.o. develops trade on own account with foreign goods of Polish and foreign producers. The Company's activity is focused on selling products purchased from external suppliers under the Novelle brand and licensing the Novelle brand to Makarony Polskie SA in the production of vegetable noodles and other goods produced within the Makarony Polskie Group. The business model adopted by the company creates its value by increasing the brand value, and the production is outsourced.

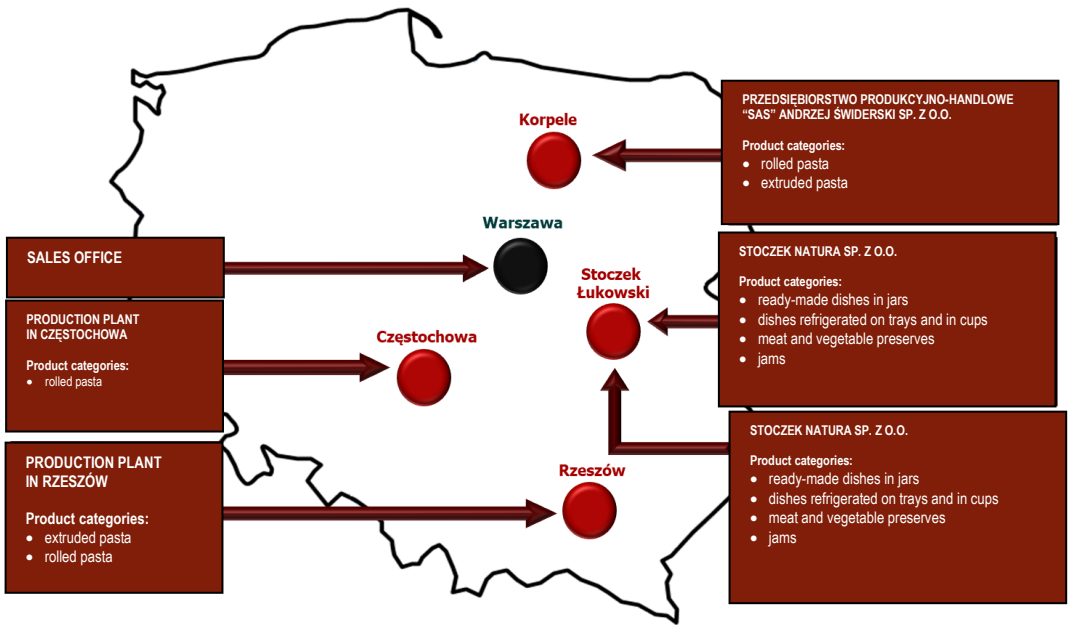
Przedsiębiorstwo Produkcyjno-Handlowe „SAS" Andrzej Świderski Sp. z o.o. is a manufacturer of a wide range of pasta, produced in rolled and stamped technology, such as tagliatelle. It offers its products in many different forms and combinations of raw materials, both under private label brands and its own brands: Va bene, Makaron Polski SAS and FUKS. The acquisition of SAS company was finalized at the beginning of the reporting period.

Changes in the organization of the Makarony Polskie Group in the third quarter of 2022

In the third quarter of 2022, there were no changes in the Makarony Polskie Group that would materially affect the structure or organization of the Group.

Within the Makarony Polskie Group, individual companies conclude with each other transactions of purchase and sale of products, goods and services. All transactions are performed under the market terms and conditions.

ORGANIZACJA
GRUPY MAKARONY POLSKIE



Organizational data

Makarony Polskie SA

Registered Office: 35-082 Rzeszow, ul. Podkarpacka 15a,

District Court in Rzeszow, 12th Commercial Division of the National Court Register

KRS number 0000212001,

Share Capital: PLN 33,120,213 – fully paid-up

REGON [National Business Registry Number]: 691674708,

NIP [tax identification number]: 8133278856.www.makarony.pl.

Stoczek Natura 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: 0000050439,

Share Capital: PLN 15,707,800

REGON [National Business Registry Number]: 711584640,

NIP [tax identification number]: 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 [National Business Registry Number]: 362706449,

NIP [tax identification number]: 825-21-76-004.

Przedsiębiorstwo Produkcyjno-Handlowe "SAS" Andrzej Świderski Sp. z o.o.

Registerd Office: Korpele 60, 12-100 Szczytno,

District Court in Olsztyn, 8th Commercial Department

KRS number: 0000930233,

Share Capital: PLN 10,773,000.00

REGON [National Business Registry Number]: 520336157

NIP [tax identification number]: 7451856735

http://makaronysas.pl/

100% of shares in the share capital of Stoczek Natura Sp. z o.o., MP Trade Sp. z o.o., Przedsiębiorstwo Produkcyjno-Handlowe "SAS" Andrzej Świderski Sp. z o.o. is owned by Makarony Polskie SA. As at 30 September 2022, the 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 unlimited.

Employment as at 30 September 2022 in the Makarony Polskie Group

In accordance with the adopted policy, the Makarony Polskie Group consistently maintains the total employment at the level of the necessary minimum, at the same time taking care of the flexibility of employment in the Production Plants and its correlation with changes in the production volume.

Employment as at 30 September 2022 in the Makarony Polskie Group:

- Makarony Polskie SA – 166 employees,
- Stoczek Natura Sp. z o.o. – 79 employees,
- MP Trade Sp. z o.o. – 0 employees,
- PPH SAS A. Świderski Sp. z o.o. – 159 employees.

Composition of the Parent's Management Board

On 30 September 2022 and on the day of submitting the statements, the management board of the parent company is a one-man management board, and Zenon Daniłowski is the President of the Management Board of Makarony Polskie SA.

As at the date of publication of these statements, the function of a proxy in the Company is performed by:

- Grażyna Kozielec – from 31 May 2012
- Beata Majewska-Karp – from 31 May 2012
- Witold Żarek – from 4 March 2013
- Marcin Zieliński – from 19 November 2019
- Artur Woźniak – from 15 September 2021.

The granted proxy is joint proxy – - a proxy may represent the Company only together with another proxy or a member of the Management Board.

Shares held by the Management Board Members

Number and par value of the shares of Makarony Polskie SA owned by Members of the Management Board as at the date of the statements are as follows:

Member of the Management Board	Q3, 2021		2021	
	number of shares	nominal value	number of shares	nominal value
Zenon Daniłowski*	140,000	420,000	140,000	420,000

* President of the Management Board Zenon Daniłowski is associated with the following companies: Praska Giełda Spożywcza SA and Polskie Smaki Sp. z o.o., which also hold the Company's shares; the total number of shares in the first half of 2022 as at the report publication date is 3,641,594 shares with a value of PLN 10,924,782 and has not changed compared to the shares held as at the date of publication of the interim report for the reporting year 2021.

In accordance with the information held by the Company, during Q3, 2022 and until the date of publication of these statements, there were no changes in the ownership of shares held directly by the President of the Management Board. The changes in the Company's shares held by the entities associated with the President of the Management Board are described in the paragraph "Shares held by main shareholders (over 5% of share capital)" of these statements.

Composition of the Supervisory Board of the parent company

On 30 June 2022, in connection with the termination of the ninth term of the Supervisory Board, the Annual General Meeting of the Company appointed the Supervisory Board of the tenth term. The number of the Members of the Supervisory Board of the tenth term was determined as 5 people.

The following persons were appointed as the Members of the Supervisory Board of the tenth term:

- Roman Sobiecki
- Michał Słomkowski
- Wiesław Wasilewski
- Marek Rocki
- Ahmed Khalil.

The constituent meeting of the Supervisory Board of the tenth term was held on 19 July 2022. Mr. Roman Sobiecki was elected Chairman of the Supervisory Board, while Mr. Ahmed Khalil was elected Vice Chairman of the Supervisory Board.

From 30 June 2022 to the date of publication of these statements, the Supervisory Board was composed of:

- Roman Sobiecki – Chairman of the Supervisory Board (independent member),
- Ahmed Khalil – Vice Chairman of the Supervisory Board (dependent member),
- Marek Rocki – Member of the Supervisory Board (dependent member),
- Michał Słomkowski – Member of the Supervisory Board (independent member),
- Wiesław Wasilewski – Member of the Supervisory Board (independent member).

AUDIT COMMITTEE

On 19 July 2022 the Supervisory Board of the tenth term appointed from among its members the Audit Committee composed of:

- Roman Sobiecki – Chairman of the Audit Committee (independent member),
- Michał Słomkowski – Member of the Audit Committee (independent member),
- Wiesław Wasilewski – Member of the Audit Committee (independent member)..

As required by law, members of the Audit Committee have knowledge and skills in accounting or auditing of financial statements as well as knowledge and skills in the industry in which the Company operates.

Shares held by Members of the Supervisory Board

Number and nominal value of the shares of the Company owned by Members of the Supervisory Board as at the date of the statements are as follows:

Member of the Supervisory Board	Q3 2022		Y 2021	
	number of shares	nominal value	number of shares	nominal value
Marek Rocki	0	0	0	0
Ahmed Khalil	0	0	0	0
Janusz Pierun – until 30 June 2022	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. Wiesław Wasilewski acquired 20,000 shares of new series F which were acquired in December 2021 and registered in the National Court Register in March 2022.

In accordance with the information held by the Company, during Q3 2021 and until the date of publication of these statements, there were no other changes in the ownership of shares held by the Members of the Supervisory Board.

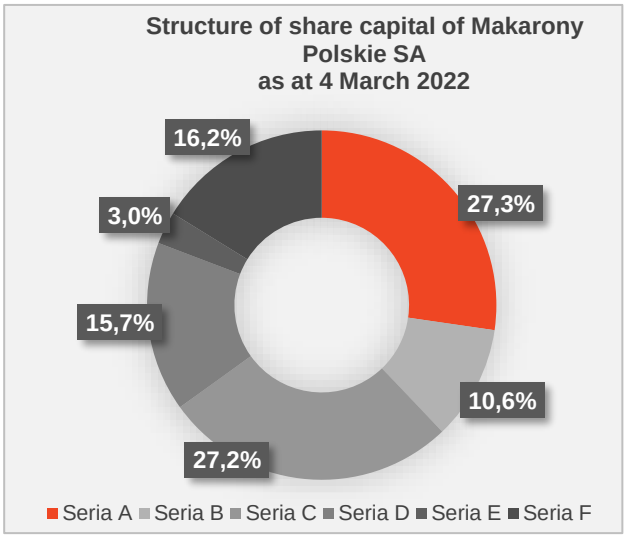
General Meeting of the Parent Company

Share capital of Makarony Polskie SA as at 30 September 2022:

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



The Company's shares are ordinary bearer shares listed on the regulated market operated by the Warsaw Stock Exchange. 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 main shareholders (over 5% of share capital)

Shareholders holding directly or indirectly through subsidiaries, at least 5% of votes in the total number of votes at the General Meeting of the Company as at the date of the statements (in accordance with the information available):

Shareholder	Shares in share capital		Votes at the General Meeting	
	number	% share	number	% share
Mr. Zenon Daniłowski and entities from Grupa PGS, 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%
TOTAL	**11,040,071**	**100.00%**	**11,040,071**	**100.00%**

Changes in the shareholding structure during the third quarter of 2022

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 third quarter of 2021 and in the period until the date of publication of this report.

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.

As at 30 September 2022 and the date of publication of these statements, the management board of the subsidiary Stoczek Natura Sp. z o.o. was composed of:

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

The function of a proxy in Stoczek Natura Sp. z o.o. is performed by:

- Alicja Hinz – from 5 October 2001.

The granted proxy is joint proxy - a proxy may represent the Company only together with another proxy or a member of the Management Board.

MP Trade Sp. z o.o.

As at 30 September 2022 and until the date of publication of these statements, the management board of the subsidiary MP Trade Sp. z o.o. was composed of:

- Marcin Zieliński – President of the Management Board.

MP Trade Sp. z o.o. did not appoint any proxies.

Przedsiębiorstwo Produkcyjno-Handlowe „SAS" Andrzej Świderski Sp. z o.o.

As at 30 September 2022 and until the date of publication of these statements, the management board of the subsidiary PPH „SAS" A. Świderski Sp. z o.o. was composed of:

- Witold Żarek – President of the Management Board.

The function of Proxies in PPH SAS A.Świderski Sp. z o.o. is performed by:

- Leszek Trzciński – from 3 January 2022,
- Magdalena Banach – from 3 January 2022.

Publication and approval of the financial statements

This condensed, consolidated and separate financial data have not been audited by an entity authorized to audit financial statements; were approved by the Management Board for publication on 16 November 2022.

Legal basis for preparation of consolidated financial statements

Declaration of compliance and the basis for preparing the statements

The condensed consolidated financial statements were prepared on the basis of the International Accounting Standards as approved by the European Union (EU) and related interpretations announced in the form of implementing regulations of the European Commission (hereinafter referred to as "IFRS"), applicable to interim financial reporting as approved by European Union (IAS 34 "Interim Financial Reporting") pursuant to Article 55 (5) of the Accounting Act (Journal of Laws of 2021, item 217 as amended) and regulations issued on its basis and in accordance with the requirements set out in the Regulation of the Minister of Finance of March 29, 2018 on current and periodic information provided by issuers of securities and conditions for recognizing as equivalent information required by the law of a non-member state (Journal of Laws of 2018, item 757) published and in force at the time of preparation of these condensed consolidated financial statements. 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 2021.

Basis for valuation

The presented consolidated condensed financial statements have been prepared in accordance with the historical cost principle, except for the valuation to fair value of some assets, i.e. assets purchased as part of the purchase transaction of Abak Sp. z o.o., brands Tenczynek, So Food, and investment land.

Functional and presentation currency

The measurement currency of the Group, included in these consolidated financial statements and the reporting currency of these financial statements is the Polish zloty.
Unless indicated otherwise, the financial data is denominated in PLN k.

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 2021 (published on 28 April 2022).

Legal basis for preparation of consolidated financial statements

The financial statements of all entities were prepared for the same reporting period using consistent accounting principles. The reporting year of the Group's company shall be 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 Przedsiębiorstwo Produkcyjno-Handlowe „SAS" Andrzej Świderski Sp. z o.o. prepare financial statements according to IAS/IFRS. All transactions, balances, revenues and costs between related entities covered by consolidation are subject to consolidation exclusions

Duration of the Group companies' operation is not limited

Consolidated entities

as at 30 September 2022	Stoczek Natura Sp. z o.o.	MP Trade Sp. z o. o.	PPH SAS A. Świderski Sp. z o.o.
The nature of the relationship	direct subsidiary	direct subsidiary	direct subsidiary
Consolidation method	full	full	full
Date of taking control	1 June 2007	28 September 2015	3 January 2022
% of the capital held	100%	100%	100%

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 the third quarter of 2022, there were no changes in the valuation principles applied to the preparation of the consolidated financial statements.

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

- 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.
- The adopted marginal loan rate and the lease term for agreements with an indefinite period of validity due to the implementation of IFRS 16.

As at 30 June 2022, the following impairment tests were carried out due to impairment indicators, such as increased interest rates and the macroeconomic situation: fixed assets, goodwill, shares in the separate statements and brands.

The tests carried out did not identify a need for write-downs due to impairment of fixed assets, goodwill, shares and brands.

At present, the Group does not see any significant risk of impairment of assets, including in particular assets subject to impairment tests..

As at the balance sheet date, the premises for impairment of assets were analyzed. In the opinion of the Management Board of the Parent Entity, as at the balance sheet date, i.e. 30.09.2022, there were no indications of a potential impairment of the ABAK and Tenczynek brands and the goodwill of Stoczek Natura.

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 third quarter of 2022.

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 epidemic on the operations of the Makarony Polskie Group

The impact of the Covid-19 pandemic, which began at the end of the first quarter of 2020, on the operations and financial results of Makarony Polskie Group in 2022 is negligible.

Immediately after information on the Covid-19 epidemic getting closer to the Polish borders appeared, even before official announcement of the epidemic state on the territory of the Republic of Poland, additional security procedures and security measures have been

implemented in the Group's companies to secure the continuity of production and reduce the risk of the virus spreading among the crew members. These procedures are systematically validated and modified depending on the needs and the evolution of the epidemiological situation.

In the opinion of the Management Board, in connection with the COVID-19 pandemic, in the Group:

- there are no threats that would make it impossible to pay the liabilities,
- there are no problems with the repayment of receivables by its contractors (no changes in the collection of receivables have been identified),
- no increase in the valuation risks and the deposition of inventories have been identified,
- no significant risks of failure to meet the financial covenants included in loan agreements have been identified.

The Management Board of Makarony Polskie SA carefully monitors the situation related to the COVID-19 pandemic and takes steps to minimize the negative impact on the functioning of the Company and the Group in the area of security, financial liquidity and achieved results. In the opinion of the Management Board, the current financial situation of the Group does not threaten the continuation of the Group's operations in the next periods.

The impact of the political and economic situation in Ukraine on the operations 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 visible in several areas:

- price increases and problems with availability of certain key raw materials and materials (e.g. flour, egg pulp, film and cardboard packaging) – due to the increased demand and turbulence in the supply chain (e.g. trade difficulties with Ukraine) may have a negative impact on the effectiveness of day-to-day operations. Previously – alternately – one cost component was increasing, another was decreasing, while the third one was stable, therefore price fluctuations could be amortized and in the long term thet price increase, if any, was of a few percent. Since the beginning of 2022, all costs have been growing simultaneously and week by week, so the price changes are currently up to several dozen percent,
- price increases of energy, gas and fossil fuels due to the global situation (the ongoing "energy crisis"),
- absence among the staff – the war outbreak have caused many Ukrainians (both men and women) who were working in Poland to decide to return to their homeland – to the front or to their families left behind. It was a challenge for companies to find a replacement for them in a short time. Currently, the risk has been partially mitigated by

the Polish government's decision to allow the Ukrainian refugees to enter the Polish labor market,

- pressure from the business environment has forced the Group to renegotiate contracts and change the way it determines the prices for B2B clients – since the outbreak of the war in Ukraine, the Group's company have adopted a strategy of setting prices in one- or maximum two-week periods with the possibility of maintaining sales prices in subsequent periods provided that the market prices of raw materials and packaging are stabilized,
- insurance institutions are withdrawing from insuring contracts with Ukrainian clients, which also results in limited possibilities of granting trade credit for Ukrainian clients and imposes cooperation on prepayment basis,
- increased demand of Ukrainian clients for pasta and other products with a long shelf-life - the products offered by the Group's companies belong to this group of goods.
- Significant fluctuations in the currency market confront the company with the unprecedented challenge of planning a long-term strategy of purchasing and trading foreign currency in Euro (EUR) and Dollars (USD).

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 takes steps to minimize the negative impact on the functioning of the Company and the Group in the area of security, financial liquidity and achieved results. In the opinion of the Management Board, the current financial situation of the Company and the Group does not threaten the continuation of the Group's operations in the next periods.

The situation in Ukraine has not significantly affected the Company's operations. 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 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 the moment, in spite of the war that has lasted for 9 months, it is difficult to forsee a further situation in Ukraine and its impact on the situation of the Company and the Makarony Polskie Group.

Finalization of the acquisition process conducted by the Company

- The acquisition at the beginning of 2022 of PPH SAS Andrzej Świderski, a competitive pasta manufacturer, which is among the top five egg pasta manufacturers in the country, has increased the production potential of Makarony Polskie SA and will allow it to effectively use this potential and enrich the product portfolio with pasta which is very popular on the Polish market, i.e. "nests"
- egg rolled pasta has a better taste than extruded pasta (Italian-style), it is characterised by a higher selling price, which according to the Company will allow it to increase the revenues and improve the level of sales margins, and, consequently, have a positive impact on the Group's operations in the long term.
- acquisition has strengthened the Group's position as the leader in the field of rolled egg pasta (used willingly in Poland and Central Europe, e.g. for soups) and the position as the vice-leader among Polish pasta manufacturers,
- As at the date of taking over Przedsiębiorstwo Produkcyjno-Handlowe „SAS" Andrzej Świderski sp. z o.o. and transition to IFRS, a valuation of fixed tangible assets to fair value was carried out by an independent expert. As a result of the transaction settlement in the Group's consolidated statements, a profit was generated on occasional purchase adjusted for share acquisition costs amounting to PLN 4,103 k.

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 2022.

Factors and risks with significant impact on the financial results in the third quarter of 2022 and in subsequent periods

After Q3, 2022, the Makarony Polskie generated net profit in the amount of PLN 21.3 m. In the Group, many changes aimed at increasing production efficiency and reducing fixed costs have been introduced.

WPŁYW NA OSIĄGANE WYNIKI BĘDĄ MIAŁY M.IN. NASTĘPUJĄCE DZIAŁANIA:

Building a competitive advantage through investments in R&D, product, process and organizational 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 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 in 2021 (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,
- PPH SAS A.Świderski Sp. z o.o. has carried out a number of investment projects aimed at improving the production effectiveness and flexibility and reducing the production costs: the capacity of cold storage rooms has been increased, a semi-automatic wrapping machine for stretching pallets with foil has been installed in order to improve the quality of pallets sent, a system for collection and analysis of data from pass-through checkweighers has been ordered, works to diversify the sources of process heat generation are carried out, the company has also taken steps to sell unused assets, and it plans to use the proceeds from sales for further investment projects in the machine park,
- 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.

Finalization of the acquisition process conducted by the Company

- The Makarony Polskie Group focuses on systematic, long-term organic growth, but also takes advantage of the acquisition opportunies, if they arise in the market, as in the case of Przedsiębiorstwo Produkcyjno-Handlowego SAS Andrzej Świderski, the acquisition of which was finalized at the beginning of 2022,
- the acquisition of a competitive pasta manufacturer, which is among the top five egg pasta manufacturers in the country, will contribute to increasing the production potential of Makarony Polskie SA and allow it to effectively use this potential, it will enrish the product portfolio with pasta which is very popular on the Polish market, i.e. "nests",
- egg rolled pasta has a better taste than extruded pasta (Italian-style), it is characterised by a higher selling price, which according to the Company will allow it to increase the revenues and improve the level of sales margins, and, consequently, have a positive impact on the Group's operations in the long term.

- acquisition has strengthened the Group's position as the leader in the field of rolled egg pasta (used willingly in Poland and Central Europe, e.g. for soups) and the position as the vice-leader among Polish pasta manufacturers.

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 and logistics, 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 marketing activities aimed at increasing the presence of 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

- systematic increase in the number of customers on foreign markets - focusing on European markets,
- intensification of communication with current and potential customers through the participation, *inter alia,* in trade fairs and the organization of B2B meetings on 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,
- partnership cooperation 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 SIGNIFICANT FOR THE DEVELOPMENT OF THE GROUP

Istnieje jednak wiele czynników, szczególnie o charakterze zewnętrznym, które bezpośrednio bądź pośrednio mogą mieć wpływ na wyniki finansowe osiągane w kolejnych latach.

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, the coronavirus pandemic, 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 current product range of the Group is modified in line with market trends, e.g. health-related products, "Fit" products, products for vegans and vegetarians, products with reduced gluten content, pasta with flavorings and made from cereals such as spelt and buckwheat, products based on, or with addition of vegetable flour are systematically developed, we develop a line of "clean label" products.

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 analyzed on an ongoing basis, which allows for quick response in the area of possible threats. The Group 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.

The situation of the increased demand for the Group’s product took place, among others, at the beginning of 2022 after the outbreak of the war in Ukraine, when the customers rushed to the shops in great numbers and the orders from retail chains were significantly higher compared to the level recorded in the corresponding periods of the previous years. The Group’s Production Plants faced the necessity to make even greater efforts in order to use the production capacities in the most optimal manner. A difficult situation was alleviated by the expansion of the production capacities in the Group, including the acquisition of a competitive pasta manufacturer in 2022, which provided the company with an additional safety margin. However, interrupted supply chains, shortages of raw materials and materials, as well as absence among part of the staff (e.g. return of some Ukrainians to their homeland after the war started) turned out to be barriers limiting the production volumes.

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

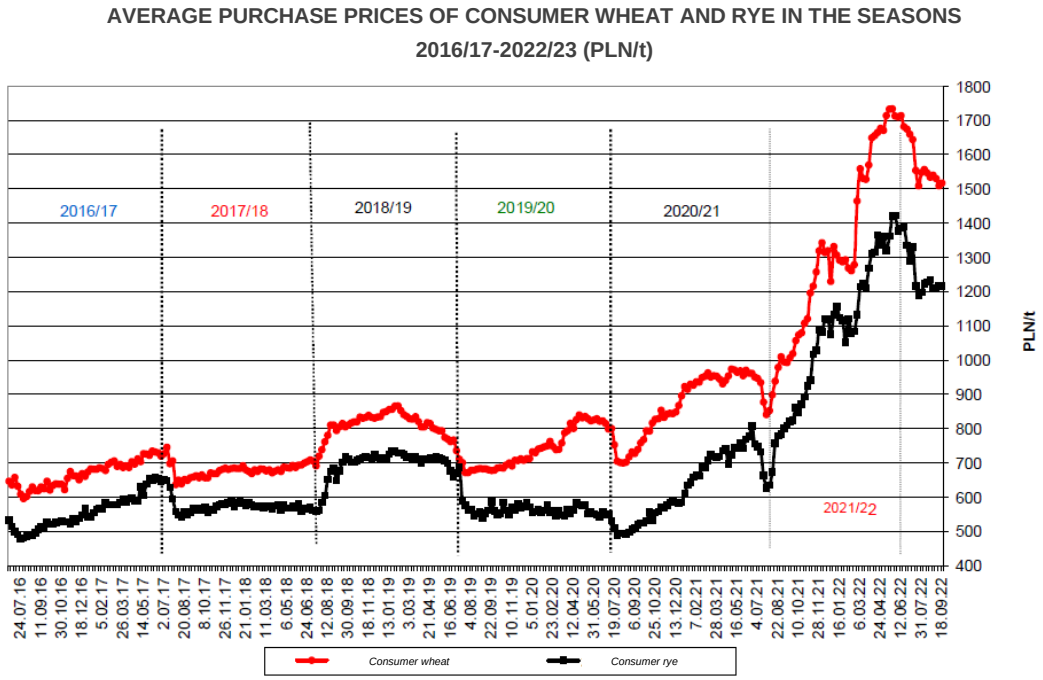
Makarony Polskie Group consistently strives to implement its strategy in the area of securing the raw material and material prices with long-term purchase agreements in annual and half-year periods, which helps to limit material decreases in the profitability of the pasta produced.

Unfortunately, the current dynamic changes of the situation on the global markets make the suppliers more careful and reluctant to enter into such contracts.

The purchase prices of soft wheat flours were continuously increasing throughout 2021. The price increases also continue in 2022 based on wheat price increases. The wheat price at the Paris exchange increased from 209.25 EUR/t in April 2021 (01.04.2021) to 280.00 EUR/t at the end of the fourth quarter of 2021 (30.12.2021). At the start of the hostilities in Ukraine, at the end of March 2022, the wheat prices dramatically increased to 384.50 EUR/t reaching a level unprecedented in previous years. High prices on cereal markets remained until mid-August (harvest). At the beginning of Q3, 2022, soft wheat prices at the Paris exchange amounted to 334.50 EUR/t. It might seem that the successful harvest should have slowed down the price increase but it did not happen. The escalation of armaments resulted in that at the end of Q3 2022, the wheat prices at the Paris exchange increased to 352.25 EUR/t. According to forecasts, these prices may also continue throughout Q4 2022 and Q1 2023. This is strongly linked to the hostilities in Ukraine and high uncertainty regarding the future of cereal exports from Ukraine. The information on further drastic increase in prices of energy carriers has made cereals producers very restrained when it comes to selling grain. Thus, the price of flour remains high.

High prices also remain on the durum wheat flour market – the prices of semolina are reaching an unprecedented level. Before harvest 2022/2023, demand for durum wheat, including semolina, exceeded supply, which lead to price increases. The confirmed information about good harvest forecasts, especially in Canada, had a positive impact on stabilizing the price of durum wheat flour in the following season, with price stabilization occurring at a high level. The element that could effectively disrupt price stabilization on the durum wheat market in the first quarter of 2023 is a significant increase in the cost of freight and energy carriers.

The chart below presents the prices of soft cereal in Poland in recent years:



Source: Weekly report on the market for cereals, oilseeds and feed materials - Cereal market week 39/2022, Sparks Polska

In the first months of 2022, due to, among others, an increase in costs related to the breeding process, such as feed, wages, electricity and fuel, as well as the lack of egg imports from Ukraine (the farms were destroyed as a result of the hostilities), the purchase prices of egg pulp increases by approx. 90% in the short time, which translated negatively into the profitability of egg pasta production and forced the Group companies to revise their commercial offers. In Q2 2022, the egg prices remained at the high level of Q1 2022. After a slight market calming, in September 2022 another systematic increase in egg pulp prices occurred due to strong demand and the detection of subsequent outbreaks of avian influenza. There is a high risk of the above-mentioned trend continuing in Q4 2022.

The significant price increases are also present on the foil and cardboard packaging market. The price increase in Q2, 2022 compared to prices in Q4 2021 amounted to approx. 140%. Such a high level of prices also remained in Q3 2022. At the same time, the holiday reduction in demand had a positive impact on reducing the difficulty of packaging availability and shortening delivery times, which were significantly extended in Q2 2022. Another large increase in packaging prices is forecast for Q3 2023. It is connected with rising prices of energy carriers.

Legal basis for preparation of consolidated financial statements

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. Purchase of fruit and vegetables is performed seasonally, in months in which their prices are the lowest. If necessary, purchased raw materials are stored in Company warehouses and cold stores. In the first three quarters of 2022, the company did not record very large increases in agricultural raw materials, as well as sugar, due to the fact that these were partially contracted in 2021.

One of the key raw materials for Stoczek Natura Sp. z o.o. is meat. In 2021, the market of meat and meat raw materials was stable and balanced. Russia's military attack on Ukraine in February 2022 caused a lot of perturbations on the raw material market. Meat prices increased by several dozens of percent because a very large part of the raw meat, previously the basis of production for the domestic market, has been transferred to Ukraine, which significantly increased the prices of the entire meat components. It is forecast that high meat prices will continue throughout 2022, due to high demand and high production costs, which are constantly growing on the basis of the increasing prices of feed, fertilizer, fuel and energy.

Stoczek Natura Sp. z o.o. has its own cold stores in order to purchase raw materials at the optimum time and price, but the significant increases in electricity prices currently occurring on the market and forecast for future periods, significantly increase the cost of such storage.

Price increases of several percent in the first three quarters of 2022 also occurred in the market of most raw materials and packaging. Increased demand for processed products and simultaneously rising production costs are making both metal and glass packaging more expensive and there is no clear prospect of stabilization.

All of the above-mentioned cost drivers and their high dynamics, and often unpredictability and uncertainty, make the year 2022 a very challenging year for manufacturers. It becomes crucial to take due care of operaetional optimization, systemically monitor process efficiency and cost levels, as well as to quickly adjust the selling prices of products to the rising costs of their production.This radically changes the business relationship between business partners, e.g. the suppliers' reluctance to set fixed trading terms for longer contract periods (e.g. for one year) transfers to the clients the risk of operating in the short time and the "uncertainty of tomorrow".

Risk connected with changes in the prices of energy carriers

At the moment, a significant risk factor affecting both the overall economic situation and that of the Group companies is the price and energy carrier availability. Since the outbreak of the war in Ukraine, there are dramatic increases in the price of electricity, gas, coal and other energy carriers. This will directly translate into increases in the costs of manufacturing products and providing various types of services, and consequently increases in the prices of these products and services of the final purchaser. This situation will, to a large extent, "feed" the inflationary spiral of price increases with regard to products and services in the supply chain, which will shape the new price level on the Polish and European markets.

In 2023, the first quarter will be crucial when difficulties are expected in the supply of heat carriers, i.e. gas and coal. The forecasted several price rises of the above-mentioned raw materials, as well as the concerns about limited availabilty, increase nervousness on the market and uncertainty about pricing policy in the long term. Without a settlement at EU and government level in terms of energy and gas prices, it will be very difficult to function on the market. Dramatic year-on-year increases in energy prices will have a significant impact on business activity, and in the case of any difficulties to pass the cost increases on to the prices of the products and services, it cannot be excluded that some business people wii even decide to temporarily suspend their activities in order not to generate more losses.

In 2022, the Makarony Polskie Group is secured in terms of the supply of electricity and gas – the Group companies entered into contracts guaranteeing the supply of the above-mentioned energy carriers to production plants at a fixed price until the end of the current year. However, a threat is posed by the introduction of the so-called power supply limitations the application of which by the power system will disrupt the continuity of electricity supply.

In order to secure production continuity in 2023 on the one hand and flexibility to respond to dynamic changes in the macroeconomic situation on the other hand, the Group's production plants take a number of measures in the area of searching for and securing alternative sources of process heat other than mains gas, e.g. restoring the operation of the heating oil installations that were previously operating at the plants. The Makarony Polskie Group also seeks to counteract rising costs in the area of electricity by, among others, making investments in thermomodernization, eliminating or replacing energy-intensive receivers and building photovoltaic installations at each of its sites. The activities in this area have been carried out for a long time and their finalization is planned for at the turn of 2022/2023. Thanks to the RES, the Group will have energy resources acting as a factor for stabilizing the energy cost increase in 2023.

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.

In addition, the economic situation in Ukraine connected with the war makes it necessary to expect unfavorable, from the point of view of companies exporting products to the Ukrainian market, legal changes concerning the increase in taxes, transit and import fees that serve, in the opinion of the Ukrainian authorities, to stabilize the Ukrainian currency, cash flows and economic situation.

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 30 September 2022:

Groups/categories of financial instruments	Balance sheet value as at 30.09.2022 PLN k	Currency exposure as at 30.09.2022 PLN k	EUR PLN k	USD PLN k
Financial assets				
Cash and cash equivalents	13,144	3,989	26	3,963
Trade receivables	30,989	1,616	1,616	
Financial liabilities				
Trade liabilities	47,077	13,640	13,640	

The table presents the analysis of the sensitivity of the financial result to changes in exchange rates as at 30 September 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	1.3	-1.3	198.1	- 198.1
Gross trade receivables	80.8	-80.8	-	-
Financial liabilities				
Trade liabilities	- 682.0	682.0	-	-

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 Company are sensitive to changes in the level of market interest rates

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.

In the third quarter of 2022, the Group used external financing in the form of bank loans: working capital loans, overdrafts and investment loans.

As at 30 September 2022, the Group had a liability due to loans taken out, in the amount of PLN 34,644 k:

Currency	Interest	Loan balance	Including loans	
			Short-term	Long-term
PLN	WIBOR + bank's margin	34,644	18,601	16,043

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 30 September 2022 is presented in the table below:

Groups/categories of financial instruments	Balance sheet value as at 30.09.2022 PLN k	Value at risk as at 30.09.2022 PLN k	WIBOR PLN k
Financial assets			
Cash in hand and at bank	13,144	-	-
Financial liabilities			

Bank loans	34,644	34,644	34,644
Other financial liabilities	1,232	1,232	1,232

The table below presents the analysis of the sensitivity of the financial result to changes in interest rates as at 30 September 2022:

Interest rate	Deviation assumptions (in percentage points) 30 September 2022		Value at risk as at 30 September 2022 PLN k	Impact on the financial result 30 September 2022 PLN k	
WIBOR	1%	-1%	34 644	- 346,4	346,4

Risk of insolvency of business partners

Risk of insolvency means the risk that the Group's contractors will default on their obligations. The 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 financial information available to the public and its own transaction data, assessing the financial condition of its main customers.

The Group's exposure to the risk of counterparties' 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 counterparties 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 counterparty or a group of counterparties.

Selected financial data – the Makarony Polskie Group

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 (Journal of Laws 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 30 September 2022 EUR 1 = 4.8698; 31 December 2021 EUR 1 = 4.5994)
- 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, Q2 and Q3 of 2022 = PLN 4.6880 and at the end of each month of Q1, Q2 and Q3 2021= PLN 4.5585.

Selected financial data	30 September 2022	30 September 2021	30 September 2022 (in EUR k)	30 September 2021 (in EUR k)
Net revenues from sale of products, services, goods and materials	229,256	120,788	48,903	26,497
Profit (loss) from continued operations	28,086	6,986	5,991	1,533
Gross profit (loss)	25,704	6,447	5,483	1,414
Net profit (loss) from continued operations	21,254	5,397	4,534	1,184
EBIT	28,086	6,986	5,991	1,533
EBITDA (EBIT + depreciation)	34,910	13,001	7,447	2,852
Net cash flows from operating activities	12,848	8,195	2,741	1,798
Net cash flows from investment activities	-17,835	- 4,227	- 3,804	- 927
Net cash flows from financial activities	- 8,225	- 3,775	- 1,754	- 828
Total net cash flows from financial activities	-13,212	193	- 2,818	42
Total assets ***	247,723	205,044	50,869	44,581
Liabilities and provisions for liabilities ***	128,043	103,390	26,293	22,479
Long-term liabilities ***	47,161	49,395	9,684	10,739
Short-term liabilities ***	80,882	53,995	16,609	11,740
Equity ***	119,680	101,654	24,576	22,102
Share capital ***	33,120	27,750	6,801	6,033

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 current financial year ***	11,040,071	9,348,098	11,040,071	9,348,098
Profit/loss per ordinary share (in PLN/EUR) *	1.93	0.58	0.41	0.13
Book value per one share (in PLN/EUR)**	10.84	9.21	2.23	2.00

* 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 2021

Consolidated statement of comprehensive income

FOR THE PERIOD	Q3 2022	01.01.2022-30.09.2022	Q3 2021	01.01.2021-30.09.2021
Net incomes from sales	81,086	229,256	38,720	120,788
Revenues from sale of products and services	79,815	223,394	37,706	115,491
Revenues from sale of goods and materials	1,271	5,862	1,014	5,297
Own cost	61,177	177,476	31,856	98,517
Production costs of products and services sold	59,881	172,194	31,001	93,858
Value of goods and materials sold	1,296	5,282	855	4,659
Gross profit (loss) on sales	19,909	51,780	6,864	22,271
Costs of sale	7,312	20,766	4,787	14,664
General administrative costs	2,291	6,750	1,506	4,342
Other revenues	452	5,646	1,923	4,167
Other costs	536	1,824	76	446
Profit (loss) from continued operations	10,222	28,086	2,418	6,986
Financial incomes	0	7	- 40	12
Financial costs	1,177	2,389	165	551
Gross profit (loss)	9,045	25,704	2,213	6,447
Income tax	1,930	4,450	168	1,050
Net profit (loss) from continued operations, in this attributable to:	7,115	21,254	2,045	5,397
Shareholders of the parent Company	7,115	21,254	2,045	5,397
Basic net result per share in PLN	0.64	1.93	0.22	0.58
Diluted net result per share in PLN	0.64	1.93	0.22	0.58
Inne całkowite dochody/straty netto				
Total net income, in this attributable to:	7,115	21,254	2,045	5,397
Shareholders of the parent Company	7,115	21,254	2,045	5,397
Non-controlling shares				

Consolidated statement of financial position

ASSETS	30 September 2022	31 December 2021	30 September 2021
FIXED ASSETS	**150,470**	**132,764**	**132,998**
Tangible fixed assets	133,712	116,269	116,083
Fixed assets-IFRS-16	3,625	3,291	3,470
Investment real estate	603	603	603
Goodwill	5,949	5,949	5,949
Other intangible assets	6,534	6,588	6,867
Long-term financial assets	0	0	0
Assets for deferred income tax	1	0	0
Other long-term assets	46	64	26
CURRENT ASSETS	**97,253**	**72,280**	**45,214**
Inventories	42,447	21,382	21,414
Short-term receivables	39,878	23,885	22,646
Corporate income tax receivables	0	554	264
Borrowings granted	0	0	0
Cash and cash equivalents	13,144	26,156	603
Other short-term assets	237	303	287
FIXED ASSETS FOR SALE	**1,547**	**0**	**0**
TOTAL ASSETS	**247,723**	**205,044**	**178,212**

LIABILITIES	30 September 2022	31 December 2021	30 September 2021
EQUITY	**119,680**	**101,654**	**87,825**
Share capital	33,120	27,750	27,750
Supplementary capital	53,521	43,091	43,143
Reserve capital	12,000	24,888	12,000
Revaluation capital	84	0	0
Retained profits/losses (profit/loss from previous years)	20,955	5,925	4,932
LONG-TERM LIABILITIES	**47,161**	**49,395**	**39,751**
Provision for deferred income tax	7,034	3,212	3,297
Long-term bank loans and borrowings	16,043	20,522	9,892
Other long-term financial liabilities	0	465	651
Provision for pensions and similar (long-term)	487	400	398
Revenues of future periods (long-term)	20,062	21,228	21,697

Consolidated statement of financial position

Long-term financial liabilities - leasing	3,535	3,568	3,816
SHORT-TERM LIABILITIES	**80,882**	**53,995**	**50,636**
Short-term bank loans and borrowings	18,601	15,238	15,373
Other short-term financial liabilities	1,164	744	744
Short-term financial liabilities - leasing	1,364	1,391	1,580
Other short-term liabilities	55,508	33,409	29,779
Short-term liability due to dividends	0	0	0
Income tax liabilities	210	311	18
Revenue from future periods - short-term	1,584	1,584	1,557
Provision for retirement and similar benefits (short-term)	1,662	1,251	1,263
Other short-term provisions	789	67	322
TOTAL LIABILITIES	**128,043**	**103,390**	**90,387**
TOTAL LIABILITIES	**247,723**	**205,044**	**178,212**

Consolidated statement of cash flows

FOR THE PERIOD	01.01.2022-30.09.2022	01.01.2021-30.09.2021
Cash flows from operating activities		
Profit before tax	**25,704**	**6,447**
Adjustments by items:		
Depreciation	6,824	6,015
Interest expense and income	1,481	433
Profits/losses on exchange differences	-200	0
Profit/loss from investing activities	5	- 47
Change in provisions	1,220	19
Change in inventories	- 21,064	2,713
Change in receivables	- 15,004	5
Change in liabilities and other assets and liabilities	21,588	- 2,346
Other adjustments	- 4,750	- 2,707
Total adjustments	**- 9,900**	**4,085**
Dividend proceeds	0	0
Corporate income tax paid/reimbursed	- 2,956	- 2,337
Net cash flows from operating activities	**12,848**	**8,195**
Cash flows form investing activities		
Proceeds from sales of fixed tangible assets and intangible assets	21	506
Proceeds from sales of financial assets	0	0
Expenses for the acquisition of fixed tangible assets and intangible assets	- 5,493	- 4,733
Expenses for the acquisition of subsidiaries	- 12,363	0
Interest proceeds	0	0
Proceeds from loans granted	0	0
Borrowings granted	0	0
Others	0	0
Net cash flows from investing activities	**- 17,835**	**- 4,227**
Cash flows from financial activities		
Proceeds from loans and borrowings	3,515	3,769
Repayment of loans and borrowings	- 4,632	- 5,397

Consolidated statement of cash flows

Payment of other financial liabilities	- 1,071	- 92
Payment of liabilities under financial lease agreements	- 1,244	- 1,268
Interest paid	- 1,481	- 433
Dividend paid to shareholders	- 3,312	-2,775
Other financial	0	2,421
Net cash flows from financial activities	**- 8,225**	**- 3,775**
Increase/decrease in cash and cash equivalents	**- 13,212**	**193**
Cash, cash equivalents and overdrafts at the beginning of the period	26,156	410
Foreign exchange gains/losses on the valuation of cash, cash equivalents and overdrafts	200	0
Cash, cash equivalents and overdrafts at the end of the period - including	**13,144**	**603**
with limited availability	**4,748**	**0**

Statement of changes in consolidated equity

For the period from 1 January 2022 to 30 September 2021

	Share capital	Supplementary capital	Reserve capital	Revaluation capital	Profits/losses retained	Total
Balance as at 1 January 2022	27,750	43,091	24,888	0	5,925	101,654
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
Costs of issuing series F shares	0	0	0	0	0	0
Issue of series F shares	5,370	7,518	-12,888	0	0	0
Other comprehensive income	0	0	0	0	0	0
Increase in the period	0	0	0	84	0	84
Net result after Q3 2022	0	0	0	0	21,254	21,254
Balance as at 30 September 2022	33,120	53,521	12,000	84	20,955	119,680

For the period from 1 January 2021 to 31 December 2021

	Share capital	Supplementary capital	Reserve capital	Revaluation capital	Profits/losses retained	Total
Balance as at 1 January 2021	27,750	38,490	12,000	0	6,963	85,203
Distribution of profit/loss coverage	0	4,653	0	0	- 4,653	0
Profit distribution - dividend payment	0	0	0	0	- 2,775	- 2,775
Costs of issuing series F shares	0	- 52	0	0	0	- 52
Issue of series F shares			12,888	0	0	12,888
Other comprehensive income	0	0	0	0	0	0
Net result in 2021	0	0	0	0	6,390	6,390
Balance as at 31 December 2021	27,750	43,091	24,888	0	5,925	101,654

For the period from 1 January 2021 to 30 September 2021

	Share capital	Supplementary capital	Reserve capital	Revaluation capital	Profits/losses retained	Total
Balance as at 1 January 2021	27,750	38,490	12,000	0	6,963	85,203
Distribution of profit/loss coverage	0	4,653	0	0	- 4,653	0
Profit distribution - dividend payment	0	0	0	0	- 2,775	- 2,775
Costs of issuing series F shares	0	0	0	0	0	0
Other comprehensive income	0		0	0	0	0

Statement of changes in consolidated equity

Net result after Q3 2021	0	0	0	0	5,397	5,397
Balance as at 30 September 2021	27,750	43,143	12,000	0	4,932	87,825

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 01.07 to 30.09.2022	For the period from 01.01 to 30.09.2022	For the period from 01.07 to 30.09.2021	For the period from 01.01 to 30.09.2021
Revenues from sales of products	79,092	220,209	36,282	110,869
Revenues from sales of services	723	3,185	1,424	4,622
Revenues from sales of materials	322	2,189	512	3,033
Revenues from sales of goods	949	3,673	502	2,264
Total	**81,086**	**229,256**	**38,720**	**120,788**

Operating segments

The Makarony Polskie Group distinguishes the product segments shown in the table below

	For the period from 01.07 to 30.09.2022	For the period from 01.01 to 30.09.2022	For the period from 01.07 to 30.09.2021	For the period from 01.01 to 30.09.2021
Pasta	62,724	183,865	26,567	84,935
Meat and vegetable preserves	15,718	34,612	8,918	23,088
Vegetable and fruit preserves*	1,603	6,219	1,647	6,299
Other	1,041	4,560	1,588	6,466
Total	**81,086**	**229,256**	**38,720**	**120,788**

Basic information about operating segments:

For the period Q1-Q3 2022	Pasta	Meat and vegetable preserves	Vegetable and fruit preserves	Other	Total segments
Total segments revenues	**183,865**	**34,612**	**6,219**	**4,560**	**229,256**
Sales to external customers	183,865	34,612	6,219	4,560	229,256
Sales between segments					
Segment costs	140,683	27,901	5,669	3,223	177,476
Profits or losses of segments	**43,182**	**6,711**	**550**	**1,337**	**51,780**

For the period Q1-Q3 2021	Pasta	Meat and vegetable preserves	Vegetable and fruit preserves	Other	Total segments
Total segments revenues	**84,935**	**23,088**	**6,299**	**6,466**	**120,788**
Sales to external customers	84,935	23,088	6,299	6,466	120,788
Sales between segments					
Segment costs	68,957	20,286	5,937	3,337	98,517
Profits or losses of segments	**15,978**	**2,802**	**362**	**3,129**	**22,271**

The Group 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.

The sales revenues of the Makarony Polskie Group in the period of Q1-Q3 2022 amounted to PLN 229 m and were by approx. PLN 108 m higher than in the corresponding period of 2021.

Sales revenues in the pasta category increased in the analyzed period by approx. PLN 99 m to the amount of approx. PLN 184 m. A leap in sales was caused mainly by the following factors which occurred in the discussed period:

- acquisition of PPH SAS A.Świderski Sp. z o.o. at the beginning of 2022 – due to that acquisition, also the production capacities have significantly increased, as well as the sales ones in the pasta category,
- outbreak of the war in Ukraine – and associated panic buying, stocking products with long shelf life, increased demand being a result of the supply gap following the disappearance of Ukrainian producers from the market and the launch of food aid programs for Ukraine by the EU institutions,
- increase in the prices of the products offeref forced by a shock increase in the level of producer inflation not seen since the Second World War.

When comparing the period of Q1-Q3 2022 to the corresponding period in 2021, the gross sales result in the pasta segment increased by approx. PLN 27.2 m.

The sales of meat and vegetable preserves increased in the analyzed period by approx. PLN 11.5 m to the amount of approx. PLN 34.6 m. The growth was caused by:

- a reduction of a number of indices manufactured, in order to focus on products with greater market potential and improve the profitability of that segment,
- panic buying connected with the outbreak of the war in Ukraine,

– increase in the prices of the products offeref forced by a shock increase in the level of producer inflation not seen since the Second World War.

When comparing the period of Q1-Q3 2022 to the corresponding period in 2021, the gross sales result in the segment of meat and vegetable increased by approx. PLN 3.9 m.

The sales in the category of vegetable and fruit preserves dropped in the analyzed period by approx. PLN 80 k to the amount of approx. PLN 6.2 m. The drop was caused by a reduction of a number of indices manufactured, in order to focus on products with greater market potential and improve the profitability of that segment.

The measures taken had a positive effect, which led to the gross sales result in this segment increasing by approx. PLN 188 k compared to the corresponding period in the previous year.

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

	For the period from 01.07 to 30.09.2022	For the period from 01.01 to 30.09.2022	For the period from 01.07 to 30.09.2021	For the period from 01.01 to 30.09.2021
Country	74,220	202,092	34,883	109,085
Exports, including:	6,866	27,164	3,837	11,703
- European Union countries	1,816	5,852	1,241	3,805
- other countries	5,050	21,312	2,596	7,898
Total	**81,086**	**229,256**	**38,720**	**120,788**

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). In the period of Q1-Q3 in 2022 the value of sales amounted to PLN 202.1 m in the domestic market and PLN 27.2 m in exports. In the corresponding period of 2021, those figures were approx. PLN 109.1 m and PLN 11.7 m, respectively.

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 30.09.2022	For the period from 01.01 to 30.09.2021
Net profit/loss per share	1.93	0.58
Book value per share in PLN (according to data as of 30.09.2022 and data as of 31.12.2021)	10.84	9.21

	For the period from 01.01 to 30.09.2022	For the period from 01.01 to 30.09.2021
Net profit/loss from continuing operations attributable to shareholders of the parent company	21,254	5,397
Profit/loss on discontinued operations attributable to shareholders of the parent company	0	0
Net profit/loss attributable to shareholders of the parent company	21,254	5,397
Net profit/loss attributable to ordinary shareholders applied to calculate diluted profit/loss per share	0	0

	For the period from 01.01 to 30.09.2022	For the period from 01.01 to 30.09.2021
Weighted average number of issued ordinary shares applied to calculate basic earnings/loss per share	11,040,071	9,250,071
Impact of dilution	not applicable	not applicable
Adjusted weighted average number of ordinary shares applied to calculate diluted profit/loss per share	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 weighted 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 (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 Q3 2022, there were no factors diluting the share capital.

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

Share capital

As at 30 September 2022 the share capital of Makarony Polskie SA amounted to PLN 33,120,213 and was divided as follows:

	Type of share	Type of privilege	Number of Shares in units	Nominal value of 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 shares	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**			

Information on changes comparable to the consolidated and separate financial statements

In the period from 1 January 2022 to 30 September 2022, there were no changes to the comparative data for the consolidated and separate financial statements.

Information on changes in estimates related to the consolidated financial statements

CHANGES DUE TO PROVISIONS

Changes in the balance as at 30.09.2022	Balance as at 01.01.2022	Balance as at 03.01.2022 – taking control of SAS	Creation	Use and release	Balance at the end of the period
For retirement and similar benefits, including:	1,651	352	230	84	2,149
a) long-term	400	158	3	74	487
b) short-term	1,251	194	227	10	1,662
Other provisions, including:	67	0	789	67	789
b) other	67	0	789	67	789
Total	1,718	352	1,019	151	2,938

Changes in the balance as at 30.09.2021	Balance as at 01.01.2021	Creation	Use and release	Balance at the end of the period
For retirement and similar benefits, including:	1,904	4	247	1,661
a) long-term	398	4	4	398
b) short-term	1,506	0	243	1,263
Other provisions, including	60	322	60	322
b) other	60	322	60	322
Total	1,964	326	307	1,983

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 the balance as at 30.09.2022	Balance as at 01.01.2022	Changes in the balance as at 03.01.2022 – taking control of SAS	Creation	Use and release	Balance at the end of the period
Asset for deferred income tax	493	209	481	169	1,014
Provision for deferred income tax	3,705	3,072	1,719	449	8,047
Asset/Provision after compensation	3,212				7,033

Changes in the balance as at 30.09.2021	Balance as at 01.01.2021	Creation	Use and release	Balance at the end of the period
Asset for deferred income tax	531	153	170	514
Provision for deferred income tax	3,717	223	129	3,811
Asset/Provision after compensation	3,186			3,297

The current tax burden is calculated on the basis of the applicable tax regulations. The application of these regulations differentiates the tax profit (loss) from the accounting net profit (loss), in connection with the exclusion of non-taxable revenues and costs that are not tax deductible costs and items of costs and revenues that will not be subject to taxation in a given period. Tax burdens are calculated based on the tax rates applicable in a given financial year - currently 19% - the regulations do not provide for the differentiation of tax rates for future periods.

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. On 1 January 2022, Makarony Polskie SA and Stoczek Natura Sp. z o.o. chose a simplified form of paying monthly advances on corporate income tax. As at 30 September 2022, a deferred tax provision in the amount of PLN 1,658 k was created as the difference between the paid advances shown in the statement of comprehensive income and the actual tax resulting from the calculated tax base.

WRITE-DOWNS ON ASSETS

Changes in the balance as at 30.09.2022	Balance as at 01.01.2022	Changes in the balance as at 03.03.2022 – taking control of SAS	Creation	Use and release	Balance at the end of the period
Write-downs of receivables	541	0	133	0	674
Write-downs of inventories	316	138	175	239	390
Write-downs of tangible fixed assets	1,356	0	0	62	1,294
Write-downs of intangible assets	3,420	0	0	0	3,420

Changes in the balance as at 30.09.2021	Balance as at 01.01.2021	Creation	Use and release	Balance at the end of the period
Write-downs of receivables	535	0	48	487
Write-downs of inventories	210	0	18	192
Write-downs of tangible fixed assets	1,389	0	71	1,318
Write-downs of intangible assets	3,160	0	0	3,160

The Group monitors its assets on an on-going basis; in the event of impairment, it makes a revaluation write-down of assets. During 2022, there were indications to make a write-down of inventories, receivables and tangible fixed assets.

Dividends paid and proposed for payment

In 2022, the Management Board of the Company decided to recommend to the Annual General Meeting that the net profit for the period from 1 January 2021 to 31 December 2021 in the amount of PLN 5,034,360.73 should be divided as follows:

- to pay the shareholders a dividend of PLN 0.30 gross per share,
- the remaining part of the profit will be allocated to the Company's supplementary capital.

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.

On 30 June 2022, the Annual General Meeting of Makarony Polskie SA adopted the resolutions on the approval of the financial statements for the financial year 2021 and net profit distribution, including a dividend payment in the amount of PLN 0.30 gross per share. Due to the error in calculation regarding a total value of the dividend paid from the Company's net profit for 2021, in the resolution adopted by the General Meeting on 30 June 2022, on 1

August 2022 the Extraordinary General Meeting clarified a total value of the dividend paid for 2021 and indicated a correct total value of the dividend, i.e. PLN 3,312,021.30.

The Annual General Meeting of Makarony Polskie SA decided that the net profit for the period from 1 January 2021 to 31 December 2021 in the amount of PLN 5,034,360.73 should be divided as follows:

- the amount of PLN 0.30 gross per share, i.e. a total of PLN 3,312,021.30 will be allocated to the dividend payment for the shareholders,
- the remaining part of the net profit in the amount of PLN 1,722,339.43 will be allocated to the Company's supplementary capital.

The dividend record date was set for 15 July 2022. The dividend was paid on 30 September 2022. 11,040,071 Company shares are entitled to the dividend.

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 third quarter of 2022, the companies of the Makarony Polskie Group did not conclude any significant transactions with each other under the terms other than market terms.

Within the Makarony Polskie Group, individual companies conclude with each other transactions of purchase and sale of products, goods and services. 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 for the period			
	Q3, 2022	Q1-Q3, 2022	Q3, 2021	Q1-Q3, 2021
Parent Company- Makarony Polskie S.A.	317	541	116	263
to Stoczek Sp. z o.o.	200	350	112	252
to MP Trade Sp. z o. o.	4	11	4	11
PPH „SAS" Sp. z o.o.	113	180	0	0

Affiliate	Purchases from affiliates for the period			
	Q3, 2022	Q1-Q3, 2022	Q3, 2021	Q1-Q3, 2021
Parent Company- Makarony Polskie S.A.	13,630	40,298	7,262	20,913
from Stoczek Sp. z o.o.	9,924	26,913	6,943	19,659
to MP Trade Sp. z o.o.	502	1,709	319	1,253
PPH „SAS" Sp. z o.o.	3,204	11,676	0	0

Affiliate	Receivables from affiliates		Liabilities towards affiliates	
	as at 30.09.2022	as at 30.09.2021	as at 30.09.2022	as at 30.09.2021
Parent Company - Makarony Polskie S.A.	242	111	3,914	3,631
- from/to Stoczek Sp. o.o.	239	110	2,054	3,322
from/to MP Trade Sp. z.o.o.	2	1	372	309
PPH „SAS" Sp. z o.o.	1	0	1,488	0

SETTLEMENTS BETWEEN SUBSIDIARIES

Subsidiaries	Sales and purchases between subsidiaries for the period			
	Q3, 2022	Q1-Q3, 2022	Q3, 2021	Q1-Q3, 2021
Total subsidiaries	2	7	1	6
- from Stoczek Sp. o.o. to MP Trade Sp. z o.o.	1	3	1	3
- from MP Trade Sp. z. o. o. to Stoczek Sp. z o.o.	1	4	0	3
- from PPH „SAS" Sp. z o.o. to Stoczek Sp. z o.o./ MP Trade Sp. z o.o.	0	0	0	0

Subsidiaries	Receivables between subsidiaries		Liabilities between subsidiaries	
	as at 30.09.2022	as at 30.09.2021	as at 30.09.2022	as at 30.09.2021
Total subsidiaries	5	0	0	0
- from/to Stoczek Sp. z. o.o.	0	0	5	0
- from/to MP Trade Sp. z.o.o.	5	0	0	0
- from PPH „SAS" Sp. z o.o. to Stoczek Sp. z o.o./ MP Trade Sp. z o.o.	0	0	0	0

Information on issue, repurchase and repayment of debt securities

In the third quarter of 2022, the companies of the Makarony Polskie Group did not issue or redeem or repay any debt securities.

Information on conducted and planned share issues

During the third quarter of 2022 and until the date of publication of these statements, the Company did not issue any shares.

Agreements and events material for the Group's operations

Letter of Intent between Makarony Polskie SA and KSG Agro SA

In July 2022, a letter of intent was signed between the Company and KSG Agro SA ("Letter of intent"), concerning the determination of the principles of establishing business cooperation by the parties in the field of trade in oils and grains, as well as cooperation in other areas of agricultural production.

The intention of the parties is, in particular, to establish cooperation regarding the import of rapeseed oil and sunflower oil from Ukraine, their processing and marketing in Poland/third countries.

The letter of intent does not constitute a binding agreement but only expresses the will to start talks on mutual cooperation of the parties within the scope and on the terms set out therein. The validity period of the Letter of Intent referred to above has not been specified.

Information on concluded and terminated loan and factoring agreements, and financial liabilities

LONG- AND SHORT-TERM LOANS AND BORROWINGS

	30.09.2022	31.12.2021
- long-term part	16,043	20,522
- short-term part	18,601	15,238
Total	**34,644**	**35,760**

During the third quarter of 2022, the parties to credit and factoring agreements were the companies Makarony Polskie SA and Stoczek Natura Sp. z o.o.

The status of loan and factoring agreements in effect as at 30 September 2021, 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	30 September 2022
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 2,887 k
Repayment schedule	once on the liability maturity date
Loan collateral	– joint mortgage up to PLN 17,000 on the following real estates: 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 inventories with a value not lower than PLN 5,000 k with the 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	30 September 2022
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 1,674 k
Repayment schedule	The loan will be repaid in 49 monthly installments in the following amounts: 48 installments of PLN 105 k each and the last 49 equalizing installments in the amount of PLN 204 k.
Loan collateral	– joint mortgage up to PLN 17,000 on the following real estates: 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.

During Q3, 2022, Makarony Polskie SA concluded an annex to the investment loan agreement with Santander Bank Polska SA which unifies the Company's liabilities towards the bank.

EU investment loan at Santander Bank Polska SA

Loan terms and conditions	30 September 2022

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	1,930 k
Repayment schedule	The loan will be repaid in 37 monthly installments, in the following amounts: 36 installments in the amount of PLN 50 k, 37th installment PLN 9,061 k, the received EU refinancing will reduce the balloon installment
Loan collateral	– joint mortgage up to PLN 18,200 on the following real estates: 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 Research and Development Center of the Pasta Industry at Makarony Polskie SA".

During Q3, 2022, Makarony Polskie SA concluded an annex to the EU investment loan agreement with Santander Bank Polska SA which unifies the Company's liabilities towards the bank.

– EU investment loan at Santander Bank Polska SA

Loan terms and conditions	30 September 2022
Loan contractual value	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 541 k
Repayment schedule*	The loan will be repaid in 49 principal installments, including 48 installments in the amount of PLN 33 k PLN, 49th installment in the amount of PLN 79 k.
Loan collateral	– joint mortgage up to PLN 2,500 on the following real estates: – 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".

During Q3, 2022, Makarony Polskie SA concluded an annex to the EU investment loan agreement with Santander Bank Polska SA which unifies the Company's liabilities towards the bank.

– Working capital loan at Santander Bank Polska SA

During Q3, 2022, the Company benefited from a working capital loan with a total amount of PLN 3,000 k. In accordance with the provisions of the loan agreement, the loan was repaid in due time and therefore, the liabilities resulting from the agreement between the Company and the Bank expired.

– Investment loan at Santander Bank Polska SA

Loan terms and conditions	30 September 2022
Loan contractual value	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	4,293 k
Repayment schedule	The loan will be repaid in 41 equal monthly installments in the amount of 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 collateral for the *de minimis* guarantee.

During Q3, 2022, Makarony Polskie SA concluded annexes to the investment loan agreement with Santander Bank Polska SA aimed at:

- extension of the loan availability period,
- change of loan repayment schedule,
- unification of the Company's liabilities towards the bank.

– Working capital loan at Santander Bank Polska SA

Loan terms and conditions	30 September 2022
Loan contractual value	PLN 1,700 k
Loan period	10.06.2021 – 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 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 colateral for the *de minimis* guarantee.

During Q3, 2022, Makarony Polskie SA concluded an annex to the working capital loan agreement with Santander Bank Polska SA which unifies the Company's liabilities towards the bank.

– Investment loan at Santander Bank Polska SA

Loan terms and conditions	30 September 2022
Loan contractual value	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	11,184 k
Repayment schedule	The loan will be repaid in 82 monthly installments in the following amounts: 81 installments of PLN 144 k each and the last 82nd equalizing installment in the amount of PLN 96 k.
Loan collateral	– a contractual joint mortgage up to the amount of PLN 18,000 k on the following real estates: KW No. OL1S/00032815/5, KW No. OL1S/00039349/6, KW No. OL1S/00044965/8 in Korpele together with the assignment of rights under the real estate insurance policy; – registered pledge on 100% of shares in PPH SAS Andrzej Świderski Sp. z o.o.; – accession to debt by PPH SAS Andrzej Świderski Sp. z o.o.; – blank promissory note issued by the Company together with a promissory note declaration, – declaration of the Company and SAS on submission to enforcement made pursuant to Article 777 of the Code of Civil Procedure, in the form of a notarial deed.

– Overdraft at BNP Paribas Bank Polska SA

Loan terms and conditions	30 September 2022
Loan contractual value	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	3,681 k
Repayment schedule	once on the liability maturity date
Loan collateral	– contractual mortgage up to the amount of PLN 10,500 k on the following real estates:

	a) KW No. CZ1C/00111425/8 in Częstochowa together with the assignment of rights under 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) at Santander Factoring Sp. z o.o.

Terms of the agreement	30 September 2022
Contractual value	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	6,183 k
Contract collateral	– irrevocable power of attorney to the account, – blank promissory note with a promissory note declaration

The status of loan agreements in effect as at 30 September 2022, for which Stoczek Natura Sp. z o.o. was a party to the agreements, is presented in the tables below:

– Overdraft at Banku Gospodarstwa Krajowego

Loan terms and conditions	30 September 2022 roku
Loan contractual value	4,000 k
Loan period*	16.11.2017 – 16.11.2022
Interest rate	WIBOR 3M + the bank's margin that does not differ from the standards applied by the bank
Loan balance	3,992 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 in Stoczek Łukowski together with the assignment of rights from the property insurance policy – authorization to a current account kept at the Bank, – blank promissory note with a promissory note declaration, – 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, – statement of the Company 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

– Investment loan at Banku Gospodarstwa Krajowego*

Loan terms and conditions	30 September 2022
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 2,763 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, – statement of the company 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 (up to PLN 9.6 m).

* The loan taken by Stoczek Natura Sp. z o.o. in Bank Gospodarstwa Krajowego in July 2019, was intended to finance the investment related to the project entitled "Increase of competitiveness of Stoczek Natura Sp. o.o. implementation of innovative solutions by modernizing the line for the production of 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. completed the purchase of fixed assets and modernization of production premises.

LIABILITIES FROM FINANCE LEASING CONTRACTS

	Present value of minimum fees	
	as at 30.09.2022	as at 31.12.2021
up to 1 year	451	681
within 1 to 5 years	740	895
Total	**1,191**	**1,576**

As at 30 September 2022, the Group's companies have fixed assets used under leasing agreements. The carrying amount of machinery and equipment, cars and other fixed assets used under financial leasing agreements as at 30 September 2022 was PLN 1,918 k, and as at 31 December 2021, it amounted to PLN 2,588 k.

LIABILITIES FROM FINANCE LEASING CONTRACTS - IFRS-16

	Present value of minimum fees	
	as at 30.09.2022	as at 31.12.2021
up to 1 year - lease	909	706
up to 1 year – Perpetual usufruct right to land	4	4
within 1 to 5 years - lease	1,604	1,486
in the period over one year - Perpetual usufruct right to land	1,191	1,187
Total	**3,708**	**3,383**

Makarony Polskie SA introduced disclosures to fixed assets due to the application of IFRS -16, property, plant and equipment used under lease agreements.

The balance sheet value of fixed assets due to the lease of premises and the right of perpetual usufruct of land as at 30 September 2022 was PLN 3,625 k, and as at 31 December 2021 it amounted to PLN 3,291 k.

SHORT-TERM FINANCIAL OBLIGATION - POLISH DEVELOPMENT FUND SUBSIDY

	as at 30.09.2022	as at 31.12.2021
up to 1 year	1,164	744
within 1 to 5 years	0	465
Total	1,164	1,209

As part of the financial shield, the companies of the Makarony Polskie Group received financial support in the form of subsidies from the Polish Development Fund.

INFORMATION ON LOANS GRANTED

As at 30 September 2022, 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 2022 (one-off repayment until the maturity date of the liability). The interest rate on the loan was determined based on market conditions.

In the third quarter of 2022, Stoczek Natura Sp. z o.o., MP Trade Sp. z o.o. and PPH „SAS" Andrzej Świderski Sp. z o.o. did not grant any borrowings.

Sureties and guarantess

INFORMATION ON GRANTED AND RECEIVED GUARANTIES

In Q3 2021, the Group companies did not grant any guarantees, and Makarony Polskie SA and Stoczek Natura Sp. z o.o. used the granted guarantees.

The list of guarantees in force at Makarony Polskie SA as at 30 September 2022 is illustrated in the table below:

Guarantor	Guarantee amount in PLN k	Validity of the guarantee	Subject of the guarantee	Collateral
Santander Bank Polska SA	157	until 31.01.2024	guarantee securing the Company's obligations under the agreement for storing pasta, under the contract concluded with Governmental Agency for Strategic Reserves	– blank promissory note with a promissory note declaration

The list of guarantees in force at Stoczek Natura as at 30 September 2022 is illustrated in the table below:

Guarantor	Guarantee amount in PLN k	Validity of the guarantee	Subject of the guarantee	Collateral
Bank Gospodarstwa Krajowego	335	until 16.01.2026	guarantee securing the Company's obligations under the agreement for storing ready-made meals, under the contract concluded with Governmental Agency for Strategic Reserves	– 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

INFORMATION ON GRANTED AND RECEIVED SURETIES

Makarony Polskie SA granted sureties to the subsidiary Stoczek Natura Sp. z o.o. and their status as at 30 September 2022 is presented below:

External liabilities	Creditor name	Amount of surety in PLN k	Expiration date	Balance of the secured liability in PLN k as at 30.09.2022
Surety of overdraft facility in the amount of PLN 4.0 m	Bank BGK	6,000	16.05.2023	3,992
Surety of investment loan in the amount of PLN 4.8 m	Bank BGK	4,812	08.11.2025	2,763
Surety of bank guarantee in the amount of PLN 0.3 m	Bank BGK	335	16.07.2026	-

During Q3, 2022, Makarony Polskie SA granted a surety to the bank guarantee in the amount of PLN 1.5 m – due to the return of the original guarantee document, the surety expired.

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 30 September 2021 is presented below:

External liabilities	Creditor name	Amount of surety in PLN k	Expiration date	Balance of the secured liability in PLN k as at 30.09.2022
Surety of overdraft facility in the amount of PLN 5.0 m	Santander Bank Polska SA	15,366	30.12.2026	2,887
Surety of investment loan in the amount of PLN 13.8 m	Santander Bank Polska SA			1,674

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

During Q3, 2022, MP Trade Sp. z o.o. and PPH „SAS" Andrzej Świderski Sp. z o.o. did not grant any sureties.

Off-balance items

Change in contingent liabilities or contingent assets that has occurred since the end of the last financial year:

Off-balance sheet items (in PLN k)	30 September 2022	31 December 2021
1. Contingent assets	**551**	**3,245**
- received guarantees and sureties	492	3,245
- collaterals on assets	0	0
- promisory notes	59	0
2. Contingent liabilities	**193,408**	**158,845**
- for provided guarantees and sureties	0	0
- collaterals on property	145,525	98,869
- promissory note obligations	47,883	59,976
Total off-balance items	**- 192,857**	**-155,600**

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 reporting period presented before, no proceedings regarding material liabilities and debts of Makarony Polskie SA or a subsidiary were pending before a court, competent arbitration authority or public administration body.

Other material events and transactions

In the third quarter of 2022, there were no material events or transactions other than those described above that required disclosure in these financial statements of the Group.

Material events after the balance sheet date

After the balance sheet date, there were no other events that would have a material impact on the operations of the Makarony Polskie Group.

Condensed Separate Financial Statements of Makarony Polskie SA for the period from 1 January to 30 September 2022

Selected financial statements - Makarony Polskie SA

Selected financial data	30 September 2022	30 September 2021	30 September 2022 (EUR k)	30 September 2021 (EUR k)
Net revenues from sale of products, services, goods and materials	169,543	111,299	36,165	24,416
Profit (loss) from continued operations	12,397	4,463	2,644	979
Gross profit (loss)	10,775	4,065	2,298	892
Net profit (loss) from continued operations	8,469	3,356	1,807	736
EBIT	12,397	4,463	2,644	979
EBITDA (EBIT + depreciation)	17,015	9,074	3,629	1,991
Net cash flows from operating activities	5,940	7,326	1,267	1,607
Net cash flows from investment activities	- 16,320	- 4,071	- 3,481	- 893
Net cash flows from financial activities	- 6,886	- 3,053	- 1,469	- 670
Total net cash flows	-17,266	202	- 3,683	44
Total assets ***	199,268	182,617	40,919	39,705
Liabilities and provisions for liabilities ***	97,211	85,717	19,962	18,637
Long-term liabilities ***	37,641	41,997	7,729	9,131
Short-term liabilities ***	59,570	43,720	12,233	9,506
Equity ***	102,057	96,900	20,957	21,068
Share capital ***	33,120	27,750	6,801	6,033
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 current financial year ***	11,040,071	9,348,098	11,040,071	9,348,098
Profit/loss per ordinary share (in PLN/EUR) *	0.77	0.36	0.16	0.08
Book value per one share (in PLN/EUR) **	9.24	8.78	1.90	1.91

* 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 2021

Statement of comprehensive income of Makarony Polskie SA

FOR THE PERIOD	Q3 2022	01.01.2022-30.09.2022	Q3 2021	01.01.2021-30.09.2021
Revenues from sales	56,601	169,543	35,505	111,299
Revenues from sales of other products and services	44,667	132,206	26,779	85,312
Net revenues from sales of materials and goods	11,934	37,337	8,726	25,987
Own cost	44,276	135,344	29,534	91,851
Production costs of products and services sold	33,330	101,445	21,659	68,260
Value of goods and materials sold	10,946	33,899	7,875	23,591
Zysk (strata) brutto ze sprzedaży	12,325	34,199	5,971	19,448
Costs of sales	5,922	17,038	4,585	13,965
General administrative costs	1,415	4,156	1,218	3,544
Other revenues	324	1,015	1,096	2,826
Other costs	424	1,623	66	302
Profit (loss) from continued operations	4,888	12,397	1,198	4,463
Financial incomes	15	50	-20	34
Financial costs	744	1,672	124	432
Gross profit	4,159	10,775	1,054	4,065
Income tax	939	2,306	86	709
Profit (loss) from continued operations, in this attributable to:	3,220	8,469	968	3,356
Shareholders of the parent company	3,220	8,469	968	3,356
Basic net result per share in PLN	0.29	0.77	0.10	0.36
Diluted net result per share in PLN	0.29	0.77	0.10	0.36
Other total net income/loss				
Total net income, in this attributable to:	3,220	8,469	968	3,356
Shareholders of the parent company	3,220	8,469	968	3,356
Non-controlling shares				

Statement of the financial position Makarony Polskie SA

ASSETS	30 September 2022	31 December 2021	30 September 2021
FIXED ASSETS	**134,539**	**118,828**	**117,938**
Tangible fixed assets	78,005	79,465	78,417
Fixed assets - IFRS-16	3,419	3,291	3,470
Other intangible assets	5,277	5,325	5,342
Investment real estate	603	603	603
Goodwill	0	0	0
Long-term financial assets, including	47,190	30,080	30,080
Shares	47,190	30,080	30,080
Borrowings granted	0	0	0
Assets for deferred income tax	0	0	0
Other long-term assets	45	64	26
CURRENT ASSETS	**64,729**	**63,789**	**37,952**
Inventories	28,183	13,408	14,030
Short-term receivables	25,313	21,446	20,805
Corporate income tax receivables	0	554	263
Borrowings granted	2,005	2,003	2,003
Cash and cash equivalents	9,059	26,121	577
Other short-term assets	169	257	274
ASSETS FOR SALE	**0**	**0**	**0**
TOTAL ASSETS	**199,268**	**182,617**	**155,890**

LIABILITIES	30 September 2022	31 December 2021	30 September 2021
EQUITY	**102,057**	**96,900**	**82,386**
Share capital	33,120	27,750	27,750
Supplementary capital	48,468	39,228	39,280
Reserve capital	12,000	24,888	12,000
Retained profits/losses (profit/loss from previous years)	8,469	5,034	3,356
LONG-TERM LIABILITIES	**37,641**	**41,997**	**31,587**
Provision for deferred income tax	3,780	3,065	2,871
Long-term bank loans and borrowings	14,350	18,027	7,130
Other long-term financial liabilities	0	215	307
Provision for pensions and similar (long-term)	321	345	340
Revenues of future periods - long-term	15,822	16,777	17,124
Long-term financial liabilities - leasing	3,368	3,568	3,815

SHORT-TERM LIABILITIES	**59,570**	**43,720**	**41,917**
Short-term bank loans and borrowings	13,539	11,432	11,341
Other short-term financial liabilities	307	368	368
Short-term financial liabilities - leasing	1,162	1,391	1,572
Other short-term liabilities	41,449	28,365	26,134
Financial liabilities due to dividends	0	0	0
Corporate income tax liabilities	177	0	0
Revenues of future periods - short-term	1,302	1,302	1,273
Provision for retirement and similar benefits (short-term)	1,070	862	941
Other short-term provisions	564	0	288
TOTAL LIABILITIES	**97,211**	**85,717**	**73,504**
TOTAL LIABILITIES	**199,268**	**182,617**	**155,890**

Statement of cash flows of Makarony Polskie SA

FOR THE PERIOD	01.01.2022-30.09.2022	01.01.2021-30.09.2021
Cash flows from operating activities		
Profit before tax	**10,775**	**4,065**
Adjustments by items		
Depreciation	4,618	4,611
Profits/losses on exchange differences	- 204	- 1
Interest expense and income	1,145	319
Profit/loss from investing activities	- 3	- 29
Change in provisions	748	51
Change in inventories	- 14,776	1,016
Change in receivables	- 3,529	468
Change in liabilities and other assets and liabilities	8,027	513
Other adjustments	0	- 1,643
Total adjustments	- 3,974	9,370
Dividend revenues	0	0
Corporate income tax paid/reimbursed	- 861	- 2,044
Cash flows from net operating activities	**5,940**	**7,326**
Cash flows from investment activities		
Proceeds from the sale of fixed assets and intangible assets	21	480
Proceeds from sales of financial assets	0	0
Expenses for the purchase of fixed tangible assets and intangible assets	- 4,021	- 4,582
Expenses for the acquisition of subsidiaries	-12,363	0
Interest income	43	31
Expenses for the purchase of financial assets	0	0
Proceeds from borrowings granted	0	0
Borrowings granted	0	0
Other	0	0
Net cash flows from investment activities	**- 16,320**	**- 4,071**
Cash flows from financial activities		
Wpływy z kredytów i pożyczek	2,260	3,769
Proceeds from dividends	675	0
Repayment of loans and borrowings	- 3,830	- 4,584
Payment of other financial liabilities	- 276	- 61
Payment of liabilities under financial lease agreements	- 1,213	- 1,256
Interest paid	- 1,190	- 347

Dividend paid out to shareholders	- 3,312	- 2,775
Other financial revenues	0	2,201
Net cash flows from financial activities	**- 6,886**	**- 3,053**
Increase/decrease in cash and cash equivalents	**- 17,266**	**202**
Cash, cash equivalents and overdrafts at the beginning of the period	26,121	374
Foreign exchange gains/losses on the valuation of cash, cash equivalents and overdrafts	204	1
Cash, cash equivalents and overdrafts at the end of the period, including	**9,059**	**577**
with restricted availability	4,748	0

Statement of changes in equity of Makarony Polskie SA

For the period from 1 January 2022 to 30 September 2022

	Share capital	Supplementary capital	Reserve capital	Retained profit/loss	Total
Balance as at 1 January 2022	**27,750**	**39,228**	**24,888**	**5,034**	**96,900**
Distribution of profit/loss coverage		1,722		-1,722	
Profit distribution - dividend payment				- 3,312	- 3,312
Issue of shares	5,370	7,518	-12,888		
Other total income					
Net result afte Q3, 2022				8,469	8,469
Balance as at 30 September 2022	**33,120**	**48,468**	**12,000**	**8,469**	**102,057**

For the period from 1 January 2021 to 31 December 2021

	Share capital	Supplementary capital	Reserve capital	Retained profit/loss	Total
Balance as at 1 January 2021	**27,750**	**35,303**	**12,000**	**6,752**	**81,805**
Distribution of profit/loss coverage		3,977		- 3,977	
Profit distribution - dividend payment				- 2,775	- 2,775
Costs of share issue		- 52			- 52
Issue of shares			12,888		12,888
Other total income					
Net result in 2021				5,034	5,034
Balance as at 31 December 2021	**27,750**	**39,228**	**24,888**	**5,034**	**96,900**

Statement of changes in equity of Makarony Polskie SA

For the period from 1 January 2021 to 30 September 2021.

	Share capital	Supplementary capital	Reserve capital	Retained profit/loss	Total
Balance as at 1 January 2021	**27,750**	**35,303**	**12,000**	**6,752**	**81,805**
Distribution of profit/loss coverage		3,977		-3,977	
Profit distribution - dividend payment				- 2,775	- 2,775
Costs of share issue					
Issue of shares					
Other total income					
Net result after Q3, 2021				3,356	3,356
Balance as at 30 September 2021	**27,750**	**39,280**	**12,000**	**3,356**	**82,386**

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Zenon Daniłowski
President of the Management Board

Rzeszów, 16 November 2022

Information about the company

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

Registered in the District Court in Rzeszow, 12th Commercial Division of the National Court Register on 5 July 2004 under No. 0000212001.

Share capital: PLN 33,120,213 (fully paid-up)

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

Feel free to contact us at the following email address:

relacje@makarony.pl

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