Makarony Polskie

- SPÓŁKA AKCYJNA -

Condensed consolidated financial statements of Makarony Polskie Group for the period from 01.01.2024 to 30.06.2024



Rzeszów, 26 September 2024

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Makarony Polskie

- SPÓŁKA AKCYJNA -

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01.01.2024 TO 30.06.2024

General information

Organizational structure of the Makarony Polskie Group

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

- Makarony Polskie SA („Company", „parent company")
- Stoczek Natura Sp. z o.o.
- MP Trade Sp. z o.o.



Makarony Polskie SA is a manufacturer of a wide range of pasta, produced in stamped and rolled technology. 100% of shares 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 product range is diversified with large forms of pasta intended for stuffing and vegetable pasta made from legumes such as chickpeas, red lentils and green peas. The company has considerable scope to expand its range of pasta made from rare flours such as legumes and the portfolio will be developed in this direction.

The 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, pâtés, lards, tinned foods), fruit preserves (jams, jam) offered under the Stoczek and Męska Rzecz brands, as well as ready meals in trays and bowls offered under the So Food brand.

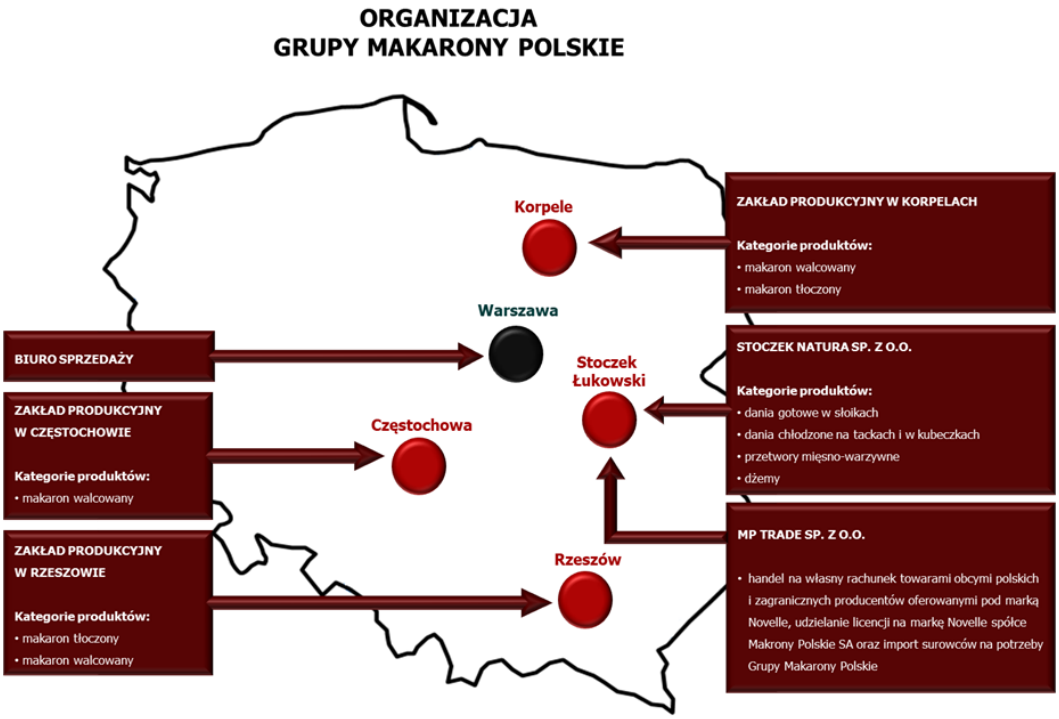
MP Trade Sp. z o.o. develops trade on own account with foreign goods of Polish and foreign producers. The company works in two business fields. The Company's main activity is focused on selling products purchased from external suppliers under the Novelle brand and licensing the Novelle brand to Makarony Polskie SA in the production of vegetable noodles and other goods produced within the Makarony Polskie Group. The company also imports raw materials that are used for the Group's needs. The business model adopted by the company creates its value

by increasing its brand value on the one hand, and on the other hand develops opportunities for importing raw materials (production is contracted out).

Changes in the organization of the Makarony Polskie Group in the reporting period

During 1H 2024, there were no changes in the Makarony Polskie Group that would materially affect the Group's structure or organisation.

Within the Makarony Polskie Group, individual companies conclude transactions of purchase and sale of products, goods and services among themselves. All transactions are performed on market terms and conditions.



Organizational data

Makarony Polskie SA

Registered Office: 35-082 Rzeszów, ul. Podkarpacka 15A,

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

KRS number 0000212001,

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

Regon: 691674708,

NIP: 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: 711584640,
NIP: 8251727212,
www.stoczek.com.pl.

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

100% of the shares in the share capital of Stoczek Natura Sp. z o.o. and MP Trade Sp. z o.o. are held by Makarony Polskie SA.

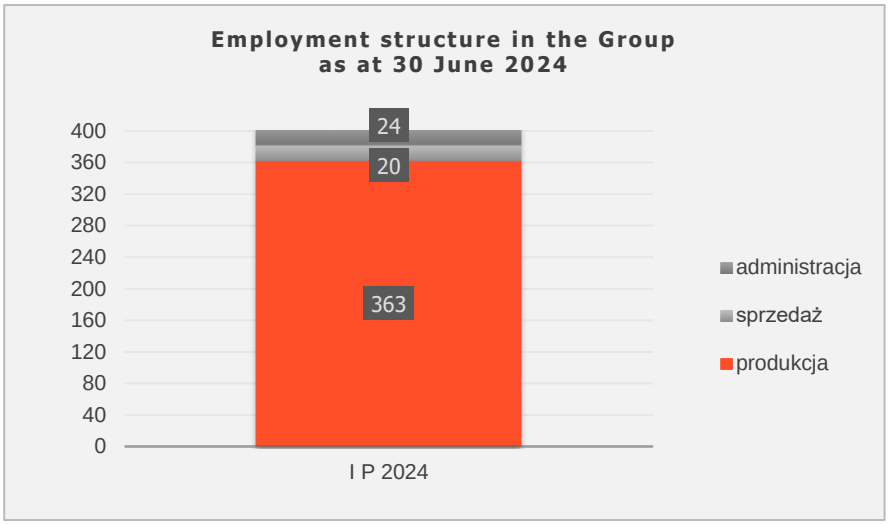
As at 30 June 2024, the share in the total number of votes at the Shareholders' Meetings of these companies, held by the parent company, is equal to the share in the capital of each of the subsidiaries.

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

Employment 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 .

The employment level as at 30 June 2024 in the Makarony Polskie Group totalled 407 persons (vs. 395 persons at the end of H1 2023).



The Makarony Polskie Group's human resources policy is focused on maintaining high-class specialists and managers who, thanks to their expertise, experience and commitment, ensure the highest level of implementation of the Group's business objectives, thus guaranteeing constant improvement of the organization and improvement of the quality of the products and services offered.

Composition of the Parent Company's Management Board

In the period from 01 January 2024 to the publication of these statements, the Management Board of the Company was composed of one member. The function of the President of the Management Board is performed by Zenon Daniłowski.

As at the date of publication of this report, the function of proxies in the Company is performed by:

- Grażyna Kozielec - since 31 May 2012
- Beata Majewska-Karp - since May 31st 2012
- Witold Żarek - since 4 March 2013
- Marcin Zieliński - since 19 November 2019
- Artur Woźniak - as of 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 Members of the Management Board

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

Member of the Management Board	H1 2024		2023	
	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 2023 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 2022.

In accordance with the information held by the Company, during the reporting period 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.

Composition of the Parent Company's Supervisory Board

Since 01 January 2024 to 24 June 2024 the Supervisory Board was composed of:

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

On 24 June 2024, in connection with the end of the tenth term of the Supervisory Board, the Annual General Meeting of the Company appointed a Supervisory Board of the eleventh term. The number of the Members of the Supervisory Board of the tenth term was determined as 6 people.

The following persons were appointed to the Supervisory Board of 11th term:

- Ahmed Khalil,
- Dorota Podedworna-Tarnowska,
- Marek Rocki,
- Michał Słomkowski,
- Roman Sobiecki,
- Wiesław Wasilewski.

The Supervisory Board of the 10th term was constituted on 24 June 2024. Mr Roman Sobiecki became President of the Supervisory Board and Mr Ahmed Khalil became Vice-President of the Supervisory Board.

From 24 June 2024 to the date of publication of these statements, the Supervisory Board was composed of:

- Roman Sobiecki - President the Supervisory Board (dependent member),
- Mr Ahmed Khalil - Vice-President of the Supervisory Board (dependent member),

- Dorota Podedworna-Tarnowska - Member of the Supervisory Board (independent 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

From 01 January 2024 to 24 June 2024, the Audit Committee of the Supervisory Board of the tenth term was composed of:

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

On 24 June 2024 the Supervisory Board of the 11th term appointed from among its members the Audit Committee composed of:

- Dorota Podedworna-Tarnowska - Chairwoman of the Audit Committee (independent member),
- Michał Słomkowski - Member of the Audit Committee (independent member),
- Wiesław Wasilewski - Member of the Audit Committee (dependent 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	H1 2024		2023	
	number of shares	nominal value	number of shares	nominal value
Marek Rocki	0	0	0	0
Ahmed Khalil	0	0	0	0
Michał Słomkowski	0	0	0	0
Roman Sobiecki	0	0	0	0
Wiesław Wasilewski	29,012	87,036	26,782	80,346

To the best of the Company's knowledge, there have been no changes in the shareholdings

of the Members of the Supervisory Board during the reporting period and up to the date of publication of this report.

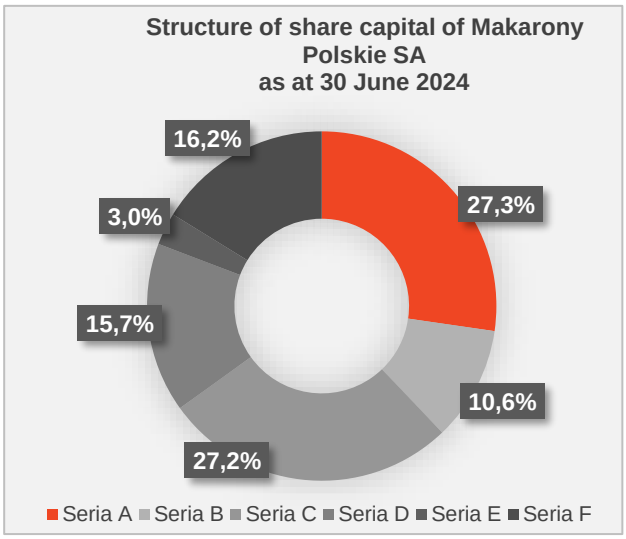
General Meeting of the Parent Company

Share Capital of Makarony Polskie SA,

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

Structure of the Company's share capital:

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



The Company's shares are ordinary bearer shares listed on the regulated market operated by the Warsaw Stock Exchange. The company has not issued any securities that grant special controlling rights to any of its shareholders.

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

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

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

Shareholder	Shares in share capital		Votes at the General Meeting	
	number	share in %	number	share in %
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%*
FUNDACJA RODZINNA SŁOMKOWSCY W ORGANIZACJI	1,169,750	10,60%	1,169,750	10,60%
Equity shares retained by the Company	5,953	0,05%	5,953	0,05%
Other shareholders	2,968 068	26,88%	2,968 068	26,88%
IN TOTAL	**11,040,071**	**100,00%**	**11,040,071**	**100,00%**

The Company is not aware of any information that would indicate changes in the number of shares held by significant shareholders (those with holdings above 5%) during the reporting period.

Changes in shareholdings after the reporting period

1. On 3 July 2024, the Company received notifications of changes in the ownership of shares and votes at the Company's general meeting from:
   - Ms Elżbieta Słomkowska, partner in a civil partnership, acting on behalf of the partners of ZPH Elpast Elżbieta i Grzegorz Słomkowscy s.c. - concerning a decrease in the shareholding in the Company from 10.6% to 0% in the Company's share capital and votes at the General Meeting,
   - Fundacja Rodzinna Słomkowscy w organizacji - concerning an increase in the shareholding in the Company from 0% to 10.6% in the Company's share capital and votes at the General Meeting.

2. In September 2024, the Company commenced the repurchase of treasury shares carried out during trading sessions on the main market of the Warsaw Stock Exchange (Giełda Papierów Wartościowych w Warszawie SA), through Dom Maklerski Trigon SA, as a result

of a brokerage order placed by the Company's Management Board on 9 September 2024. The total number of treasury shares purchased and retained by the Company amounts to 5,953 shares, representing approximately 0.05% of the share capital and the same % share in the total number of votes at the General Meeting of Shareholders.

The Company has no other information indicating changes in the number of shares held by significant shareholders (with holdings above 5%) in the period up to 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 June 2024 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 Proxy in Stoczek Natura Sp. z o.o. is performed by:

- Alicja Hinz - since 05 October 2001.

The commercial power of attorney granted is joint and several, as the commercial proxy may represent the Company only when acting jointly with another commercial proxy or Management Board member.

MP Trade Sp. z o.o.

As at 30 June 2024 and the date of publication of these statements, the management board of the subsidiary Sto Sp. z o.o. was composed of:

- Marcin Zieliński - President of the Management Board.

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

Publication and approval of the financial statements

These condensed consolidated financial statements were reviewed by an auditing company and approved by the Management Board for publication on 26 September 2024.

Legal basis for preparation of consolidated financial statements

Declaration of compliance and the basis for preparing the statements

The Condensed consolidated financial statements have been prepared on the basis of the International Accounting Standards as approved by the European Union (EU) and the related interpretations promulgated in the form of implementing regulations of the European Commission (hereinafter referred to as "IFRS"), applicable to interim financial reporting as approved by the European Union (IAS 34 "Interim Financial Reporting") in accordance with Article 55.5 of the Accounting Act (Dz. U. of 2023, item 120, as amended) and the implementing regulations issued on its basis, and in accordance with the requirements set out in the Regulation of the Minister of Finance of 29 March 2018 on current and periodic information provided by issuers of securities and the conditions for recognising as equivalent the information required by the laws of a non-member state (Dz. U. 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 2023..

Basis for valuation

The presented condensed consolidated 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.

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.

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

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 2023 (published on 23 April 2024).

The financial statements of all entities have been prepared for the same reporting period, using consistent accounting policies. The financial year of the Group companies is the calendar year

The Parent Company - Makarony Polskie S.A. and its subsidiaries - Stoczek Natura Sp. z o.o., MP Trade Sp. z o.o. prepare financial statements according to IAS/IFRS. All transactions, balances, revenues and expenses between consolidated related parties are subject to consolidation exclusions.

The duration of the Group companies is not limited.

Consolidated entities:

as at 30 June 2024	Stoczek Natura Sp. z o.o.	MP Trade Sp. z o. o.
The nature of the relationship	direct subsidiary	direct subsidiary
Consolidation method	full	full
Date of taking control	1 June 2007	28 September 2015
% of the capital held	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

The accounting policies applied in the preparation of these interim condensed consolidated financial statements for the six months ended 30 June 2024 are consistent with those applied in the preparation of the annual consolidated financial statements for the financial year ended 31 December 2023, except for the changes described below.

The same principles were applied for the current and comparable period.

Changes resulting from amendments to IFRS

Legal basis for preparation of consolidated financial statements

The following new or amended standards and interpretations issued by the International Accounting Standards Board (IASB) or the International Financial Reporting Interpretations Committee apply from the beginning of the reporting period.

- Amendment to IAS 1 Presentation of Financial Statements: Classification of liabilities as short- and long-term

  The amendment to IAS 1 was published on 23 January 2020, subsequently modified in July 2020 and finally adopted on 31 October 2022. The amendment is effective for annual periods beginning on or after 1 January 2024. The amendment redefines the criteria that must be met so that a liability is considered short-term. The amendment may change the presentation of liabilities and their reclassification between short- and long-term liabilities.

  The Group shall apply the amended standard from 1 January 2024.

- Amendment to IAS 12 Income Taxes: International Post-Tax Reform - Model Pillar II (Global Minimum Tax)

  The amendment to IAS 12 was published on 23 May 2023. Companies can apply the exemption immediately, but disclosure requirements were already required for annual periods beginning on or after 1 January 2023. The amendments provide companies with a temporary exemption from accounting for deferred taxes arising from the Organisation for Economic Co-operation and Development (OECD) international tax reform.

  The Group applies the amendment to the standard from 1 January 2024 but, in terms of the necessary disclosures, has already adopted it in the 2023 financial statements. At the date of these financial statements, it is not possible to reliably estimate the impact of applying the new standard.

- Amendment to IFRS 16 - Leases, lease commitments in sale and leaseback transactions

  The amendment to IFRS 16 was published on 22 September 2022. The amendments require the seller-lessee to determine 'lease payments' or 'revised lease payments' so that the seller-lessee does not recognise any amount of gain or loss that relates to the right of use retained by the seller-lessee.

  The Group applies the change in standard from 1 January 2024.

- Amendment to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier financing arrangements.

  The amendment to IAS 7 was published on 25 May 2023. The amendments are intended to increase transparency about supplier financing arrangements and their impact on a company's liabilities, cash flows and exposure to liquidity risk. The amendments supplement the requirements already contained in the IAS and require entities to disclose

additional information related to their contracts, including their impact on liquidity risk. The amendments are effective for annual periods beginning on or after 1 January 2024.

The Group applied the amendment to the standard from 1 January 2024, following the entry into force of the Commission Regulation (EU) approving the amendments for use in EU countries. The regulation was published on 16 May 2024 and became effective, with effect for reporting periods beginning on 1 January 2024, on the twentieth day after its publication

The implementation of the standards did not affect the Group's financial statements.

Amendments introduced independently by the Group

The Group has not adjusted the presentation of the comparative data as at 31 December 2023 and for the period of 6 months ended 30 June 2024.

Non-applicable standards (New standards and interpretations)

In these financial statements, the Group has not decided to apply the published standards and interpretations earlier before their effective date.

The following standards and interpretations have been issued by the International Accounting Standards Board or the International Financial Reporting Interpretations Committee but are not yet effective at the balance sheet date;

- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Non-convertibility of Currency issued on 15 August 2023.

  The amendments will require entities to use a consistent approach to assessing whether a currency is convertible into another currency and, when this is not possible, to determine the exchange rate to be used and the disclosures to be made. The amendments are effective for annual periods beginning on or after 01 January 2025.

  The Group will apply the amended standard not sooner than from 01 January 2025. As at the date of these financial statements, it is not possible to reliably estimate the impact of applying the new standard

- IFRS 18 Presentation and Disclosures in Financial Statements published on 9 April 2024.

  The new standard will replace IAS 1 and will apply for the first time to annual periods beginning on or after 1 January 2027. The new standard is the result of the so-called Core Financial Statements project and aims to improve the way in which entities report information in their financial statements.

  The main changes in the new standard compared to the previous requirements of IAS 1 include:

Legal basis for preparation of consolidated financial statements

1) The introduction of categories and defined line summaries in the income statement (statement of comprehensive income), which are intended to provide additional relevant information and ensure an income statement structure that is more comparable between entities. In particular, income and expense items are required to be classified into one of the following categories on the income statement: Operating Activities, Investing Activities, Financing Activities, Income Taxes and Discontinued Operations. Entities will also be required to present the following subtotals: operating profit or loss, earnings or loss before interest and income tax (EBIT), profit or loss.

2) Introducing requirements to improve aggregation and disaggregation to obtain additional relevant information and ensure that material information is not obscured. In particular, IFRS 18 provides guidance on whether the information should be in the basic financial statements (whose role is to provide a useful structured summary) or in the notes. Entities will be required to identify assets, liabilities, equity, income and expenses that arise from individual transactions or other events and classify them into groups based on common characteristics, resulting in the recognition of a grouped item in the basic financial statements that share one or more common characteristics. These groups will then be separated based on further dissimilar characteristics, resulting in the separate disclosure of significant items in the notes. Non-significant items with dissimilar characteristics may need to be aggregated to avoid obscuring material information. Entities should use appropriate narrative headings or, if this is not possible, provide information in the notes about the composition of such aggregated items.

3) The new standard introduces stricter guidance on whether the analysis of operating costs is to be based on their type or function/place of origin. The presentation should be done in a way that provides the most useful structured summary of operating costs by considering several factors.

4) Introduce disclosures on Management Defined Performance Measures (MPMs) in the notes to the financial statements to provide transparency and rigour in the use of such measures and disclosures in one place.
Specifically: MPMs are defined as subtotals of revenue and expenses that are used in information provided to public users of financial statements outside the financial statements, supplement the totals or subtotals included in IFRS and convey management's view of an aspect of an entity's financial performance. MPM disclosures that will be mandatory: a description of why the MPM represents management's view of performance; a description of how the MPM was calculated; a description of how the measure/indicator provides useful information about the entity's financial performance; a reconciliation of the MPM to the most directly comparable subtotal or total as defined by IFRS; a statement that the MPM represents management's view of an aspect of the entity's financial

performance; the impact of tax and non-controlling interests separately for each of the differences between the MPM and the most directly comparable partial or total amount as determined by IFRSs; if there is a change in the calculation of the MPM, an explanation of the reasons for and effect of the change.

In addition to the above changes, the standard introduces changes to IAS 7: the use of operating profit as a single starting point for the indirect method of reporting cash flows from operating activities; and the removal of presentation alternatives for interest and dividends. The purpose of these changes is to enhance the comparability of the statement of cash flows between different entities.

The Group will apply the new standard no earlier than 1 January 2027. At the date of these financial statements, it is not possible to reliably estimate the full impact of applying the new standard.

- IFRS 19 Subsidiaries not subject to public oversight ('without Public Accountability'): Disclosures

  The new standard IFRS 19 'Subsidiaries not subject to Public Oversight Requirements: Disclosures', which allows subsidiaries to make limited disclosures when applying IFRS in their financial statements.
  IFRS 19 is optional for qualifying subsidiaries and sets out disclosure requirements for subsidiaries that choose to apply it.
  The new standard is effective for reporting periods beginning on or after 1 January 2027, with early adoption permitted. The standard was published on 9 May 2024 and the EU has not yet started the formal endorsement process for the standard

  The Group is not subject to the requirements of the standard due to being an entity subject to public oversight

- Amendments to IFRS 9 and IFRS 7 Amendments to the Classification and Measurement of Financial Instruments published on 30 May 2024

  The amendments clarify the principles for classifying financial assets taking into account environmental, social, governance (ESG) and similar characteristics associated with the asset. The amendments also relate to the settlement of liabilities through electronic payment systems - they clarify the date on which a financial asset or liability is derecognised. The amendments are effective for annual periods beginning on or after 01 January 2026.

  The Group will apply the amended standard not sooner than from 01 January 2026. As at the date of these financial statements, it is not possible to reliably estimate the impact of applying the new standard

– Amendments from various standards resulting from the annual review of International Financial Reporting Standards (Annual Improvements Volume 11) published on 18 July 2024

On 18 July 2024, minor amendments were made to the following standards as a result of the review of IFRS:

- IFRS 1 - regarding hedge accounting for first-time adopters;

- IFRS 7 - regarding the recognition of gain or loss on discontinued recognition of financial instruments, the disclosure of the deferred difference between fair value and transaction price and the introduction and disclosure of credit risk;
- IFRS 9 - regarding the discontinuation of the recognition of lease liabilities and the clarification of the definition of 'transaction price' in conjunction with IFRS 15;
- IFRS 10 - regarding the clarification of the term 'de facto agent';
- IAS 7 - regarding the clarification of the term 'cost method'.

They are mostly applicable for annual periods beginning on 1 January 2026, with the possibility of early application.

The Group will apply the revised standards no earlier than 1 January 2026. At the date of these financial statements, it is not possible to reliably estimate the full impact of the application of the new standard

IFRS as adopted by the EU does not currently differ significantly from the regulations adopted by the International Accounting Standards Board (IASB), with the exception of the following standards, interpretations and amendments which as the date of approval of these statements for publication have not yet been adopted for use by the EU countries:

– Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Non-convertibility of Currency issued on 15 August 2023.
– IPSF 18 Presentation and Disclosures in Financial Statements published on 9 April 2024,
– IFRS 19 Subsidiaries not subject to public oversight ('without Public Accountability'): Disclosures published on 9 May 2024, in which case the EU has not yet started the formal endorsement process for this standard,

– Amendments to IFRS 9 and IFRS 7 Amendments to Classification and Measurement of Financial Instruments published on 30 May 2024,

– Amendments to various standards arising from the annual review of International Financial Reporting Standards (Annual Improvements Volume 11) published on 18 July 2024.

The implementation of the standards did not have a material effect on the Group's financial statements.

Accounting principles applied

For the preparation of these condensed interim consolidated financial statements, the accounting principles have been applied unamended with respect to the principles applied in the preparation of the annual consolidated financial statements for 2023, (- note Declaration of compliance with regulations)

Other new standards and interpretations that came into force in 2024 did not have a significant impact on the accounting principles applied by the Group of Companies.

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 31.12.2023, the Group prepared asset impairment tests for the companies in the Makarony Polskie Group. Additionally, impairment tests were prepared for the ABAK brand and goodwill arising on the acquisition of the subsidiary Stoczek Natura Sp. z o.o. As at 30.06.2024, the company has analysed potential indications resulting in the need for new impairment tests for the assets indicated. As a result of the analysis, no premises resulting in the need to prepare new impairment tests were identified. Further tests will be prepared as at 31.12.2024.

Legal basis for preparation of consolidated financial statements

Going Concern

The consolidated financial statements of the Makarony Polskie Group have been prepared on the assumption that the business of the Group companies will be continued in the foreseeable future and not significantly reduced. The Group did not conduct operations which were discontinued in the first half of 2022. Factors and risks with a significant impact on the financial results in the first half of 2024 and in subsequent periods

Factors and risks with a significant impact on financial performance in the reporting period and subsequent periods

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

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,
- cost and process optimisation measures, e.g. the implementation of MES software within the production facilities will allow for better control of costs and labour intensity of products and improved production accounting, WMS software within the warehouses will improve both warehouse management at all Group locations as well as the system of stock lidding and product flow control, and CMMS software will allow for improved management of the machinery fleet and machinery breakdowns,
- carrying out deep automation and robotisation of packaging processes of pasta products, increasing processing capacity and reducing production costs,
- Makarony Polskie S.A. has a Research and Development Centre for the Pasta Industry, which, in cooperation with scientific institutions, works on developing and implementing innovative technologies for the production of new products: functional, health-promoting, low-processed, easy-to-prepare food, responding to market and nutrition trends,
- the further systematic development of the SoFood brand's range of ready meals in trays and bowls and in new soft packaging formats, in close connection with market trends and the upward trend of this segment, is a good proxy for sales growth in future periods,
- investments in 'green energy' from photovoltaic installations, implemented at all Group sites, will make it possible, on the one hand, to take care of the environment and reduce the Group's carbon footprint and, on the other hand, to reduce the cost intensity of

production resulting from increases in electricity prices (the pasta and convenience food production processes are characterised by high energy intensity).

Activity development in the private label segment

- diversifying and enriching the offer addressed to new and existing customers with pro-health and functional products 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),
- special campaigns, seasonal listings of branded products in discount stores,
- activities aimed at improving the profitability of the sales channel, including optimization measures in the area of packaging, taking into account the principles of sustainable development.
- developing relationships with key customers in this segment through guided joint research projects in the area of new product development.

Development of B2B sales channels and Institutions

- developing the category of pasta, meat and vegetable preparations tailored to the expectations of customers in this channel,
- establishing cooperative relations with other pasta producers and producers of complementary goods, in order to supplement the offer for the final customer,
- individualising the offer and thus increasing competitiveness.

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

- a systematic increase in the number of customers in foreign markets - a focus on European markets, where the Group is systematically developing its cooperation with networks and distributors,

- intensification of communication with current and potential customers through the participation, inter alia, in trade fairs and exhibitions and the organization of B2B meetings on target markets,
- development of the product range by offering functional pasta in foreign markets (e.g: Fit, Cardio, Diabetic, legume vegetable) and ready meals in trays and bowls,
- sourcing and implementing private label supply projects,
- 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.

Events affecting assets, liabilities, equity, net income or cash flow statement that are unusual because of their nature, size or frequency

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

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:

- due to the unrestricted inflow of raw materials and materials, a ban on the import of grain and grain products, including flour, from the territory of Ukraine was introduced in 2023, which closed the possibility of developing cooperation with suppliers from the Ukrainian market in the situation of products for which there is no alternative on the domestic market,
- The ongoing warfare and the situation on the Polish-Ukrainian border also affected the decline in trade with Ukrainian customers, which was reflected in a decrease in exports to this market, although a gradual increase in orders from Ukrainian customers was observed in 2Q.

Immediately after the outbreak of war in Ukraine, additional procedures were implemented in the Makarony Polskie Group to secure the continuity of production and to mitigate the risk of shortages of raw material, 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 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 situation in Ukraine has not materially affected the Group's operations to date. 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 this moment, despite the war going on, it is difficult to predict the further situation in Ukraine and its impact on the situation of the Makarony Polskie Group, but it should be stated that as of today, the impact, both in the area of export sales and purchase of raw materials, is not significant. Other, internal national factors have a much greater impact on the situation of the food business in Poland.

The impact of inflation on consumer behaviour and the food market

The macroeconomic situation related to inflation changes the behaviour of consumers who, caring for their limited budgets, often limit their purchases to a basket of basic needs and products. The price of the product is also becoming increasingly important in purchasing decisions. The stagnation in the market is forcing shops and retail chains to take aggressive action to stimulate consumption and attract customers through deep promotions and shelf price reductions. This has translated into increasing pressure on manufacturers to cut prices, often against the level of producer inflation.

The increasing cost of living has also affected the financial expectations of employees, who have requested increases at the beginning of 2024, which has had an impact on revenues, particularly in Q1 2024.

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 2024.

Risks and threats significant for the development of the Group

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

The risk of changes in market trends

Risks may include possible changes in consumers' shopping and eating habits, caused, for example, by the macroeconomic (inflation) or geopolitical situation (war in Ukraine, conflict in the Middle East, other conflicts causing disruption in the commodity market). For example, the impoverishment of society as a result of a steady rise in prices and everyday costs can result in an increased demand for cheaper and low-margin products, forcing producers and suppliers to compete aggressively on price, while an increase in the wealth of society can redirect purchasing decisions towards more expensive and high-margin products.

After a two-year period of dynamic inflationary increases and a reduction in consumers' real purchasing power, the inflationary situation is now slowing down. There is a trend towards a stabilisation or even decrease in the prices of many food products, including pasta.

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

Risk related to competition

All areas of Makarony Polskie Group's operations belong to highly competitive segments. There is a risk that the intensified actions of competitors, manifested mainly in the deterioration of trading conditions will affect the profitability and revenues of the Group, may affect the achievement of objectives assumed by the Group. All activities of the competitive environment are monitored and carefully analysed on an ongoing basis, which allows for quick response in the area of possible threats. The first half of 2024, like 2023, will be a period of stagnation and even reduced consumption in some segments of the food market, including pasta. A commercial risk is the increasing pressure on producers to balance their supply capacity with demand. This results in an aggressive pricing policy that is not correlated with the cost level and the dynamically changing market environment, especially in the group of the so-called 'standard products'. This phenomenon has been on the market since the second half of 2023 and is estimated to continue until at least the end of 2024. The Group minimises this risk by diversifying its business and developing innovative products, including through ongoing R&D projects. This strategy provides the Group with greater opportunities to meet volume production targets despite unfavourable market trends.

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 of the commercial contracts do not contain a strictly defined volume of estimated purchases that the customer will make during the contract period, which has been a fairly common market practice to date. There is a risk that recipients will submit orders that deviate quantitatively from the monthly plans adopted by the Group.

This may result in the inability to meet demand or incomplete use of production capacity, which will have an impact on the results. In an effort to minimise such a risk, the Group is developing its own analytical tools and participating in projects, jointly with customers or suppliers, aimed at systematically improving the entire supply chain.

In terms of contracting, the market has not returned to annual periods due to the dynamics of cost changes, the current pricing periods are monthly to three-month or even six-month cycles.

The stagnant market is forcing shops and retail chains to take aggressive measures to stimulate consumption and attract customers through promotions, shelf price reductions, often against the level of producer inflation. The gap between market expectations and producers' expectations results in changes in the utilisation of production potentials and the flow of production and sales volumes in short-term periods.

In the Group's opinion, the risk of dependence on customers is not significant, as the Group companies are systematically working towards diversifying their customers and increasing the number of so-called medium-sized customers.

Risk related to changes in raw material and material prices

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

Despite the ongoing hostilities in Ukraine, the situation on the wheat market was rather stable in Q1 of 2024. News of large wheat stocks calmed the market and the first quarter ended with stabilised prices. In the middle of the second quarter, it turned out that individual farmers sold a significant part of their wheat, and this translated into an increase in soft wheat prices.

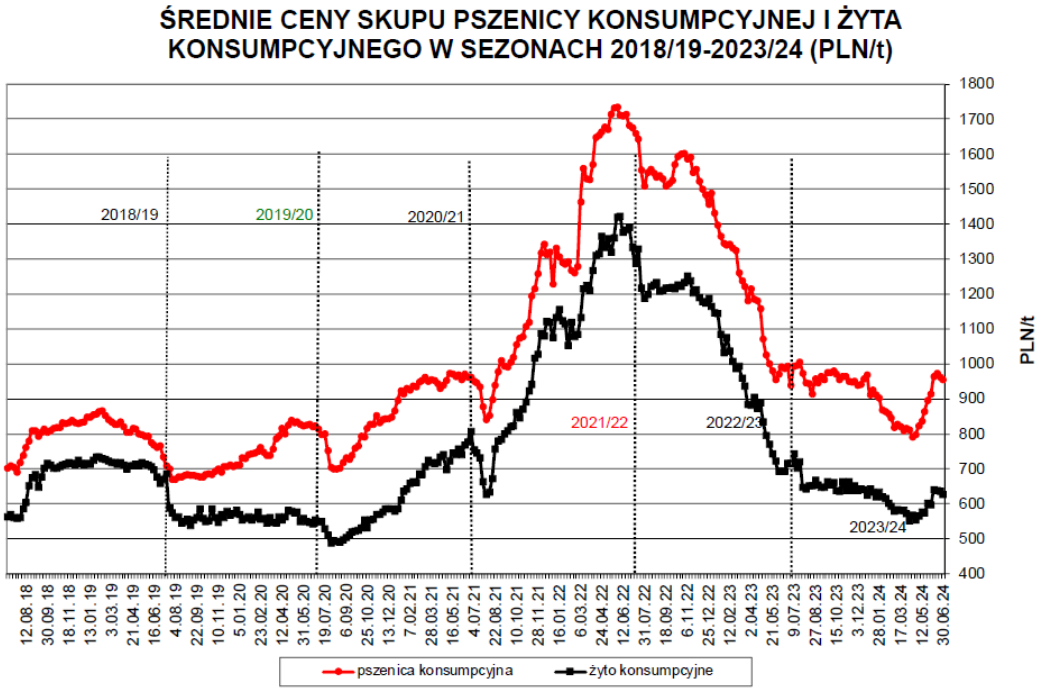
A factor destabilising the supply-demand balance on the Polish market in 2023 was the import of agricultural products from Ukraine, including cereals with often low quality parameters. The situation caused increased tensions in the agricultural segment, and these resulted in blocking actions by state authorities. Despite the embargo, signals of so-called uncontrolled entry of goods across the Polish-Ukrainian border were confirmed. In the first half of 2024, large imports of foodstuffs, including common and durum wheat, from Russia by some EU countries were also observed, which influenced unhealthy competition and periodic destabilisation in the market, especially of pasta producers.

It is worth noting that, despite the successful wheat harvest in terms of quantity, in the 2023/24 season the available volume of consumer wheat meeting the appropriate and key

quality parameters for the correct pasta production process is limited. This means that the pasta industry still needs to select suppliers ensuring good quality of the final product with greater commitment and organisational effort.

Factors influencing price changes in future periods will be, in particular, electricity prices, wage costs and Russia's continued aggressive sales policy for soft cereals.

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



Consumer rye Source: Weekly report on the market for cereals, oilseeds and feed materials - Cereal market week 27/2024, Sparks Polska

Prices in the durum wheat market in the first half of 2024 have remained fairly stable, albeit at high levels. This price level is expected to continue into the third quarter of 2024 although the market remains far from reticent about long-term forecasts. At the same time, there has been an increase in European market demand for durum wheat and semolina flour, which is forecast to result in the lowest stock levels of this commodity in several years at the end of the cereal season. However, news of another very fertile durum wheat harvest led to a calming of the market and stabilisation of prices.

The market for eggs and egg pulp, which in 2023 recorded very high price levels, unprecedented in the history of trade in these raw materials, was stable in the first half of 2024 with a gentle downward trend in prices. This was certainly heavily influenced by the absence of major disease outbreaks, which would have resulted in flock culls and reduced egg volumes on the market. The situation in subsequent periods will be influenced by factors such

as the dynamics of the spread of avian influenza outbreaks, increased demand for Polish eggs in Western European countries and EU policy on imports from Ukraine.

The market for film and cardboard packaging remained stable in 2023, recording slight price adjustments depending on the business situation of suppliers. In H1 2024, due to cost increases (wages, fuel, etc.), there was an increase in the price of film and cardboard packaging. The Makarony Polskie Group continuously monitors the market situation of raw materials and production materials, and expands the group of suppliers both for the sake of diversification of potential risks and increasing material security of production plants and for ensuring broad and authoritative market discernment.

Stoczek Natura Sp. z o.o. is a producer 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.

In 2023, fruit prices were at a good level for processing, allowing satisfactory sales results. Purchasing of fruit and vegetables is carried out seasonally, in the months when their prices are lowest. Purchased raw materials are stored at optimum prices in the company's warehouses and cold stores. In the first half of 2024, raw material that was contracted in 2023 is used for jam production so margins are predictable. However, fruit prices are forecast to increase in the 2024 season which will translate into prices and margins in the second half of 2024.

Meat is the main raw material influencing the prices of the company's products. The company seeks to secure stocks of this raw material for a period of several months, taking advantage of price decreases in the forecast cycles and thus mitigating the negative impact of increases on its operations. It thus gained time to adjust the sales prices of finished products to the increased production costs, which is particularly important in the case of retail chains, where the process of implementing price increases is stretched over time. Poultry meat prices are recording increases in the second half of 2024. Prices are always at a higher level during the summer months due to the reduced supply of raw material. The company protects itself by buying raw material earlier in the winter and spring months at the price bottom.

Despite the stabilisation of the prices of utilities such as gas and electricity, the Group continues to monitor price forecasts for key raw materials and packaging. It is estimated that the prices of some raw materials and packaging will fall and inflation will no longer be as high as in 2023; nevertheless, markets will still take a long time to stabilise after the disruption caused by the Covid-19 pandemic and the outbreak of war in Ukraine. Due attention to operational optimisation, systematic monitoring of process efficiencies and cost levels, as well as rapid adjustment of product sales prices to the rising costs of their manufacture, are of key

importance. This radically changes the business relationship between business partners, e.g. the reluctance of suppliers to set fixed commercial terms for longer contract periods (e.g. one year) translates the risk of operating in the short term and the 'uncertainty of tomorrow' into customers.

Risk of variable legal and tax environment

The Polish legal and tax system is characterised by frequent changes, the provisions of law are substantially changed from one day to the next (e.g. after the outbreak of war in Ukraine), which makes the activities of companies, including the companies of the Makarony Polskie Group, burdened with very high uncertainty. This is an unfavourable factor for business activity and entails high risk.

Legal factors affecting the Group's operations and the food industry as a whole include both changes in national law, e.g. issues relating to VAT rates on food, as well as legal changes resulting from regulations implemented at European Union level, e.g. implementation of the Single Used Plastic, CSRD directives.

The Group's interests in the area of legal changes are safeguarded by legal teams, which take appropriate and timely action to minimise the potential 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 of wage pressure

Systematic increases in the level of the minimum wage and the minimum hourly rate on civil law contracts, mean that wage pressure is building up among employees and potential job applicants. This phenomenon is compounded by the fact that, in recent times, the labour market has increasingly become an employee market. Employers, including Group companies, are increasingly finding it difficult to find suitable candidates for vacant positions, both among specialists and managers, as well as among unqualified people.

Aiming to minimise staff turnover, particularly among key employees and specialists, the Group seeks to systematically implement incentive-based remuneration systems (linked, inter alia, to production and sales performance), which, by closely linking the performance of individual teams/individuals with the effectiveness of achieving the Group's objectives set for those teams/employees, make it possible to combine a remuneration level that satisfies employees with the profitability of the company's operations. In order to increase motivation and build employee loyalty towards the employer, the Group's companies also systematically diversify the package of non-wage benefits, such as sports cards, group insurance, Christmas cards or private medical care, in order to best match it to the needs and expectations of employees.

The dynamics of wage growth also translates into an increase in the prices of services securing the functioning of production and technology. There is an increase in the cost of maintenance services, which must be performed at a high level due to the need to maintain machinery and technological lines in proper condition. For the time being, these are not costs that translate to a large extent into the price of the products offered by the Group, nevertheless the Group's companies forecast such expenses in their budgets and try to alternatively select tools and elements of cooperation that combine the correlation of the quality of services and the optimum price associated with it.

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 June 2024:

Groups/categories of financial instruments	Balance sheet value as at 30.06.2024 PLN k	Currency exposure as at 30.06.2024 PLN k	EUR PLN k	USD PLN k
Financial assets				
Cash and cash equivalents	46,510	792	792	0
Trade receivables	30,104	1,183	1,183	0
Financial liabilities				
Trade liabilities	27,135	7,425	7,425	

The table presents the analysis of the sensitivity of the financial result to changes in exchange rates as at 30 June 2024:

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	39.6	-39.6	0.0	0.0
Trade receivables (gross)	59.2	-59.2	-	-
Financial liabilities				

Trade liabilities	- 371.3	371.3	-	-

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 first half of 2024, the Group used external financing in the form of bank loans: working capital loans, overdrafts and investment loans.

As at 30 June 2024, the Group had a liability due to loans taken out, in the amount of PLN 10,499 k:

Currency	Interest	Loans balance	Including loans	
			Short-term	Long-term
PLN	WIBOR + bank's margin	10,499	3,316	7,183

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 June 2024 is presented in the table below:

Groups/categories of financial instruments	Balance sheet value as at 30.06.2024 PLN k	Value at risk as at 30.06.2024 PLN k	WIBOR PLN k
Financial assets			
Cash in hand and at bank	46,510	-	-
Financial liabilities			
Bank loans	10,499	10,499	10,499
Other financial liabilities	2,438	2,438	2,438

The table below presents the analysis of the sensitivity of the financial result to changes in interest rates as at 30 June 2024:

Interest rate	Deviation assumptions (in percentage points) 30 June 2024		Value at risk as at 30.06.2024 PLN k	Impact on the financial result 30 June 2024 PLN k	
WIBOR	1%	-1%	10,499	- 105.0	105.0

Risk of insolvency

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

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

Selected financial data 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 U. of 2018, item 757).

- items of the statement of financial position have been converted at the average exchange rate announced by the National Bank of Poland as at the balance sheet date 30 June 2024, EUR 1= PLN 4.3130; 31 December 2023, EUR 1= PLN 4.3480
- 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 H1 2024 = PLN 4.3109 and at the end of each month of H1 2023 = PLN 4.6130.

Selected financial data	30 June 2024 (in PLN k)	30 June 2023 (in PLN k)	30 June 2024 in EUR k)	30 June 2023 in EUR k)
Net revenues from sale of products, services, goods and materials	152,423	182,265	35,358	39,511
Profit (loss) from continued operations	22,700	21,373	5,266	4,633
Gross profit (loss)	22,602	20,443	5,243	4,432
Net profit (loss) from continued operations	18,115	16,485	4,202	3,574
EBIT	22,700	21,373	5,266	4,633
EBITDA (EBIT + depreciation)	30,166	28,411	6,998	6,159
Net cash flows from operating activities	25,282	14,326	5,865	3,105
Net cash flows from investment activities	- 4,782	- 2,607	- 1,109	- 565
Net cash flows from financial activities	- 2,990	- 7,506	- 694	- 1,627
Total net cash flows	17,510	4,213	4,062	913
Total assets ***	250,800	238,088	58,150	54,758
Liabilities and provisions for liabilities ***	91,689	88,812	21,259	20,426
Long-term liabilities ***	32,546	35,435	7,546	8,150
Short-term liabilities ***	59,143	53,377	13,713	12,276
Equity ***	159,111	149,276	36,891	34,332
Share capital ***	33,120	33,120	7,679	7,617
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	11,040,071	11,040,071	11,040,071
Profit/loss per ordinary share (in PLN/EUR) *	1.64	1.49	0.38	0.32
Book value per one share (in PLN/EUR) **	14.41	13.52	3.34	3.11

* 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 2023 Condensed statement on total revenues of Makarony Polskie SA

Condensed consolidated statements of comprehensive revenues

For the period	Q2 of 2024	H1 of 2024	Q2 of 2023	H1 of 2023
Net sales revenue	**71,116**	**152,423**	**93,154**	**182,265**
Revenues from sales of other products and services	70,221	150,022	89,443	177,995
Net revenues from sales of goods and materials	895	2,401	3,711	4,270
Own cost	**50,594**	**106,269**	**69,167**	**136,290**
Production costs of products and services sold	49,829	104,429	66,010	132,544
Value of goods and materials sold	765	1,840	3,157	3,746
Gross profit (loss) on sales	**20,522**	**46,154**	**23,987**	**45,975**
Costs of sales	6,337	17,060	8,192	17,412
General administrative costs	3,034	5,561	3,699	5,859
Other revenues	855	1,583	1,268	1,669
Other costs	1,354	2,416	2,048	3,000
Profit (loss) from continued operations	**10,652**	**22,700**	**11,316**	**21,373**
Financial incomes	346	627	276	370
Financial costs	354	725	560	1,300
Gross profit (loss)	**10,644**	**22,602**	**11,032**	**20,443**
Income tax	1,992	4,487	1,836	3,958
Profit (loss) from continued operations, in this attributable to:	**8,652**	**18,115**	**9,196**	**16,485**
Shareholders of the parent Company	8,652	18,115	9,196	16,485
Basic net result per share in PLN	0.78	1.64	0.83	1.49
Diluted net result per share in PLN	0.78	1.64	0.83	1.49
Other total net income/loss	0	0	0	0
Total net income, in this attributable to:	8,652	18,115	9,196	16,485
Shareholders of the parent Company	8,652	18,115	9,196	16,485
Non-controlling shares				

Condensed consolidated statement of financial position

ASSETS	30 June 2024	31 December 2023	30 June 2023
FIXED ASSETS	**135,864**	**135,644**	**140,368**
Fixed tangible assets	126,915	126,666	128,120
Fixed assets - IFRS-16	6,344	6,491	3,294
Investment real estate 603	0	0	603
Company goodwill value	188	188	2,863
Other intangible assets	2,135	1,983	5,449
Long-term financial assets	0	0	0
Assets for deferred income tax	276	310	23
Other long-term assets	6	6	16
CURRENT ASSETS	**114,936**	**102,444**	**102,390**
Inventories	32,872	28,719	38,902
Short-term receivables	35,128	44,280	50,905
Corporate income tax receivables	0	0	2
Borrowings granted	0	0	0
Cash and cash equivalents	46,510	29,003	12,041
Other short-term assets	426	442	540
ASSETS FOR SALE		0	
TOTAL ASSETS	**250,800**	**238,088**	**242,758**

LIABILITIES	30 June 2024	31 December 2023	30 June 2023
EQUITY	**159,111**	**149,276**	**132,870**
Revaluation capital	33,120	33,120	33,120
Supplementary capital	88,271	60,344	60,344
Reserve capital	25,000	12,000	12,000
Revaluation capital	0	0	0
Retained profits/losses (profit/loss from previous years)	12,720	43,812	27,406
LONG-TERM LIABILITIES	**32,546**	**35,435**	**36,425**
Provision for deferred income tax	3,083	3,878	3,980
Long-term bank loans and borrowings	7,183	8,691	11,090
Other long-term financial liabilities	0	0	0
Provision for pensions and similar (long-term)	1,005	1,065	926
Revenues of future periods - long-term	14,597	15,885	17,155
Long-term financial liabilities - leasing	6,678	5,916	3,274
SHORT-TERM LIABILITIES	**59,143**	**53,377**	**73,463**
Short-term bank loans and borrowings	3,316	3,019	10,519
Other short-term financial liabilities 368	0	0	93
Short-term financial liabilities - leasing	2,223	1,508	1,116
Financial liabilities due to dividend	8,280	0	6,624
Other short-term liabilities	32,793	33,476	44,490
Corporate income tax liabilities	3,508	7,867	3,058
Revenues of future periods - short-term	3,098	2,656	2,605
Provision for retirement and similar benefits (short-term)	3,576	2,962	2,765

Condensed consolidated statement of financial position

Other short-term provisions	2,349	1,889	2,193
TOTAL LIABILITIES	**91,689**	**88,812**	**109,888**
TOTAL LIABILITIES	**250,800**	**238,088**	**242,758**

Condensed consolidated statement of cash flows

Makarony Polskie SA Group	01.01.2024 30.06.2024	01.01.2023 30.06.2023
Profit/loss before tax	**22,602**	**20,443**
Adjustments by items:		
Depreciation	7,466	7,038
Profits/losses on exchange differences	3	0
Interest expense and income	- 2	967
Profit/loss from investing activities	-172	20
Change in provisions	1,015	2,898
Change in inventories	- 4,153	5,579
Change in receivables	9,343	- 8,479
Change in liabilities and other assets and liabilities	- 1,213	- 9,825
Other adjustments	0	- 17
Total adjustments	**12,287**	**-1,819**
Dividend revenues	0	0
Corporate income tax paid/reimbursed	- 9,607	- 4,298
Cash flows from net operating activities	**25,282**	**14,326**
Cash flows from investment activities		
Proceeds from the sale of fixed assets and intangible assets	239	65
Proceeds from sales of financial assets	0	0
Expenses for the acquisition of fixed tangible assets and intangible assets	- 5,584	- 2,911
Expenses for the acquisition of subsidiaries	0	0
Interest income	563	239
Expenses for the purchase of financial assets	0	0
Proceeds from borrowings granted 0	0	0
Borrowings granted	0	0
Net cash flows from investment activities	**- 4,782**	**- 2,607**
Cash flows from financial activities		
Proceeds from loans and borrowings	46	595
Proceeds from the issue of debt securities	0	0
Repayment of loans and borrowings	- 1,256	- 5,339
Payment of liabilities under financial lease agreements	- 1,219	- 842
Interest paid	- 561	- 1,206
Payment of other financial liabilities	0	-714
Other financial revenues - subsidy	0	0
Net cash flows from financial activities	**- 2,990**	**- 7,506**
Increase/decrease in cash and cash equivalents	17,510	4,213
Cash, cash equivalents and overdrafts at the beginning of the period	**29,003**	**7,828**
Foreign exchange gains/losses on the valuation of cash, cash equivalents and overdrafts	- 3	0
Cash, cash equivalents and overdrafts at the end of the period, including	**46,510**	**12,041**
with restricted availability	**0**	**0**

Condensed consolidated statement of changes in equity

For the period from 01 January 2024 to 30 June 2024

	Core capital	Supplementary capital	Reserve capital	Revaluation capital	Retained profit/loss	In total
As at 01 January 2024	33,120	60,344	12,000	0	43,812	149,276
Distribution of profit/loss coverage	0	40,927	0	0	- 40,927	0
Profit distribution - dividend payment 0	0	0	0	0	- 8,280	- 8,280
Other comprehensive income	0	0	0	0	0	0
Decrease in the period	0	-25,000	- 12,000	0	0	-37,000
Increase in the period	0	12,000	25,000	0	0	37,000
Net result after H1 2024	0	0	0	0	18,115	18,115
As at 30 June 2024	33,120	88,271	25,000	0	12,720	159,111

For the period from 01 January 2023 to 31 December 2023

	Core capital	Supplementary capital	Reserve capital	Revaluation capital	Retained profit/loss	In total
As at 01 January 2023	33,120	53,521	12,000	114	24,159	122,914
Distribution of profit/loss coverage	0	6,823	0	0	- 6,823	0
Profit distribution - dividend payment 0	0	0	0	0	- 6,624	- 6,624
Revaluation surplus carry-over	0	0	0	-209	209	0
Other comprehensive income	0	0	0	0	0	0
Increase in the period	0	0	0	95	0	95
Net result in 2023	0	0	0	0	32,891	32,891
As at 31 December 2023	33,120	60,344	12,000	0	43,812	149,276

For the period from 01 January 2023 to 30 June 2023

	Core capital	Supplementary capital	Reserve capital	Revaluation capital	Retained profit/loss	In total
As at 01 January 2023	33,120	53,521	12,000	114	24,159	122,914
Distribution of profit/loss coverage	0	6,823	0	0	- 6,823	0
Profit distribution - dividend payment 0	0	0	0	0	- 6,624	- 6,624
Increase in the period	0	0	0	95	0	95
Decrease in the period	0	0	0	- 209	0	- 209
Increase in the period	0	0	0	0	209	209
Net result after H1 2023	0	0	0	0	16,485	16,485
As at 30 June 2023	33,120	60,344	12,000	0	27,406	132,870

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.

	Q2 of 2024	H1 of 2024	Q2 of 2023	H1 of 2023
Revenues from sales of products	69,216	147,481	87,936	174,942
Revenues from the sale of services, including:	1,005	2,541	1,507	3,053
- service production	265	531	326	666
- for lease, storage	680	1,909	1,063	2,248
- other	60	101	118	139
Revenues from sale of materials	7	11	2,562	2,578
Revenues from sale of goods	888	2,390	1,149	1,692
Total	**71,116**	**152,423**	**93,154**	**182,265**

In H1 2024, the Group recorded a decrease in sales revenue of approximately 16.4% compared to H1 2023. Sales revenue amounted to approximately PLN 152.4 million in this period.

The Group's revenue in Q2 2024 amounted to PLN 71.1 million and was approximately 23.7% lower than in the same period in 2023.

Operating segments

In the first half of 2024, the Makarony Polskie Group carried out sales according to the following product groups, achieving the following revenues on this account:

	Q2 of 2024	H1 of 2024	Q2 of 2023	H1 of 2023
Pasta	55,901	120,218	72,653	147,020
Meat and vegetable preserves	13,254	26,910	14,648	25,880
Vegetable and fruit preserves	1,210	3,167	2,042	4,224
Total	751	2,128	3,811	5,141
Total	**71,116**	**152,423**	**93,154**	**182,265**

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.

Basic information about operating segments:

H1 of 2024	Pasta	Meat and vegetable preserves	Vegetable and fruit preserves	Other	Segments in total
Revenues					
Sales to external customers	120,218	26,910	3,167	2,128	152,423
Sales between segments					
Total revenues of the Group	120,218	26,910	3,167	2,128	152,423
Costs					
Segment costs	81,520	21,413	2,654	682	106,269
Profits or losses of segments (gross result on sales)	38,698	5,497	513	1,446	46,154

H1 of 2023	Pasta	Meat and vegetable preserves	Vegetable and fruit preserves	Other	Segments in total
Revenues					
Sales to external customers	147,020	25,880	4,224	5,141	182,265
Sales between segments					
Total revenues of the Group	147,020	25,880	4,224	5,141	182,265
Costs					
Segment costs	108,569	20,785	3,856	3,080	136,290
Profits or losses of segments (gross result on sales)	38,451	5,095	368	2,061	45,975

Revenues from sales of the Makarony Polskie Group in 1H 2024 amounted to PLN 152.4 million and were lower by approximately 16.4% compared to 1H 2023 (by approximately PLN 29.8 million).

Revenues from sales in the pasta category in 1H 2024 increased by approximately PLN 26.8 million to approximately PLN 120.2 million. The decrease in sales of approximately 18.2 per cent was mainly due to a decrease in customer prices resulting from the stabilisation of raw material prices in the markets, aggressive trading policies of competitors and pressure from the chains for lower prices due to their low price policy.

Comparing H1 2024 to the same period in 2023, gross profit on sales in the pasta segment increased by approximately PLN 0.2 million.

The Group's sales in the processed meat and vegetable segment increased by approximately PLN 1 million in the analysed period to approximately PLN 26.9 million. (an increase of approximately 4%).

Comparing H1 2024 to the same period in 2023, the gross sales result in the meat and vegetable preparations segment increased by approximately PLN 0.4 million.

Sales of the vegetable and fruit preserves category amounted to approximately PLN 3.2 million (a reduction of approximately PLN 1.1 million compared to H1 2023).

Q2 of 2024	Pasta	Meat and vegetable preserves	Vegetable and fruit preserves	Other	Segments in total
Revenues					
Sales to external customers	55,900	13,254	1,210	752	71,116
Sales between segments					
Total revenues of the Group	55,900	13,254	1,210	752	71,116
Costs					
Segment costs	38,093	11,232	1,010	259	50,594
Profits or losses of segments (gross result on sales)	17,807	2,022	200	493	20,522

Q2 of 2023	Pasta	Meat and vegetable preserves	Vegetable and fruit preserves	Other	Segments in total
Revenues					
Sales to external customers	72,653	14,648	2,042	3,811	93,154
Sales between segments					
Total revenues of the Group	72,653	14,648	2,042	3,811	93,154
Costs					
Segment costs	52,623	11,799	1,978	2,767	69,167
Profits or losses of segments (gross result on sales)	20,030	2,849	64	1,044	23,987

The sales revenue of the Makarony Polskie Group in 2Q 2024 amounted to PLN 71.1 million and was lower by approximately 23.7% compared to 2Q 2023 (by approximately PLN 22 million).

Sales revenue in the pasta category in Q2 2024 amounted to approximately PLN 55.9 million (down by approximately 23.1% compared with the same period in 2023), and gross profit on sales amounted to approximately PLN 17.8 million (up by approximately 11.1%).

The Group's sales in the processed meat and vegetable segment in Q2 2024 amounted to approximately PLN 13.3 million and decreased by approximately PLN 1.4 million (approximately 9.5%) compared with the corresponding period in 2023. The gross sales result in this segment decreased by approximately 29% in Q2 2024 compared with the corresponding period in 2023.

Sales of the vegetable and fruit preserves category amounted to approximately PLN 1.2 million in Q2 2024.

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

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

For the period	Q2 of 2024	H1 of 2024	Q2 of 2023	H1 of 2023
Country	65,523	142,469	87,297	172,352
Exports, including:	5,593	9,954	5,857	9,913
- European Union countries	3,143	6,038	3,738	6,325
- other countries	2,450	3,916	2,119	3,588
Total	71,116	152,423	93,154	182,265

In H1 2024, the value of sales amounted to approximately PLN 142.5 million on the domestic market and approximately PLN 10 million in exports. In the corresponding period of 2023, these volumes amounted to approximately PLN 172.4 million and approximately PLN 9.9 million respectively.

In Q2 2024, the value of sales amounted to approximately PLN 65.5 million on the domestic market and approximately PLN 5.6 million in exports. In the corresponding period of 2023, these volumes amounted to approximately PLN 87.3 million and approximately PLN 5.9 million respectively.

Other operating income and expenses

OTHER REVENUES

For the period	Q2 of 2024	H1 of 2024	Q2 of 2023	H1 of 2023
State subsidies	645	1,292	907	1,296
Profit on sale of tangible fixed assets	107	172	0	0
Reversal of impairment losses on receivables	0	0	0	0
Reversal of impairment losses on inventory	0	0	71	71
Sale of scrap and waste	3	6	10	10
Refund of court and bailiff fees	1	1	0	0
Compensation and complaints	45	47	4	13
Reimbursement of social security contributions	0	1	0	0

Purchase discounts granted	0	0	34	34
Accounting for R&D relief retrospectively	0	0	216	216
Surplus inventories	46	55	3	3
Total	8	9	23	26
Total	**855**	**1,583**	**1,268**	**1,669**

Other revenues include revenues and profits not directly related to the Group's operating activities. This category includes received subsidies, profits from the sale of tangible fixed assets, received compensations related to the reimbursement of court costs, overpaid tax liabilities, except for corporate income tax, and received compensations for losses in the companies' property covered by insurance.

Other revenues also include the reversal of write-downs on receivables and inventories as well as the reversal of impairment losses on assets.

OTHER COSTS

For the period	Q2 of 2024	H1 of 2024	Q2 of 2023	H1 of 2023
Loss from sale of fixed tangible assets	0	0	18	20
Creation of provisions	0	110	0	0
Write-down of receivables	0	0	0	0
Write-downs of inventories	446	713	834	1,093
Donations	28	28	10	16
Penalties and fines	40	41	108	110
Court and bailiff fees, adjudicated costs	0	5	6	8
Advertising sponsorship	107	142	71	79
Liquidation of damaged and expired inventories	92	173	287	520
R&D costs	637	1,200	586	1,011
Costs of insured repairs	0	0	0	15
Inveterate shortages	0	0	45	45
Total	4	4	83	83
Total	**1,354**	**2,416**	**2,048**	**3,000**

Other costs include costs and losses not directly related to the Group's operating activities. This category includes losses on the sale of tangible fixed assets, donations made in kind and in cash to other entities, including public benefit entities, and the effects resulting from concluded commercial agreements, guarantees and sureties granted to other entities.

Other costs also include the costs of write-downs on the value of assets, not culpable shortages in current assets and losses due to the liquidation of damaged and overdue inventories.

Other financial income and expenses

FINANCIAL INCOMES

For the period	Q2 of 2024	H1 of 2024	Q2 of 2023	H1 of 2023
Interest income, including:	342	574	156	246
- interest on loans and deposits	340	563	149	239
- interest on receivables	2	11	7	7
Profits on exchange differences	4	53	120	120
Profit on disposal of investments - shares 0	0	0	0	0
Total	0	0	0	4
Total	**346**	**627**	**276**	**370**

Financial revenues include revenues from received dividends, obtained and accrued interest on late payment of receivables, interest on investment activities in various forms of financial instruments. Financial activities also include foreign exchange profits.

FINANCIAL COSTS

For the period	Q2 of 2024	H1 of 2024	Q2 of 2023	H1 of 2023
Interest costs, including those relating to:	305	625	525	1,185
- bank loans	173	339	452	919
- factoring and leasing costs	56	84	50	173
- IFRS-16 interest costs	75	200	20	88
- other	1	2	3	5
Other financial costs, including:	49	100	35	115
- loss due to negative exchange rate differences	0	0	-36	0
- guarantee	12	12	8	18
- discount and bank commission costs	37	88	63	97
- other financial costs		0		0
Total	**354**	**725**	**560**	**1,300**

Financial costs include costs due to the use of external financing sources, i.e.: loans, borrowings, trade liabilities, financial lease agreements to which the Group is a party and other financial costs. Financial activities also include foreign exchange losses.

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

For the period	H1 of 2024	H1 of 2023

Net profit/loss per share	1.64	1.49
Book value per share in PLN (according to data as of 30.09.2024 and data as of 31.12.2023)	14.41	13.52

For the period	H1 of 2024	H1 of 2023
Net profit/loss from continuing operations attributable to shareholders of the parent company	18,115	16,485
Profit/loss on discontinued operations attributable to shareholders of the parent company		
Net profit/loss attributable to shareholders of the parent company	18,115	16,485
Net profit/loss attributable to ordinary shareholders applied to calculate diluted profit/loss per share	not applicable	not applicable

For the period	H1 of 2024	H1 of 2023
Weighted average number of issued ordinary shares applied to calculate basic earnings/loss per share	11,040,071	11,040,071
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 weighed number of issued common shares present in the period.

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

In the parent Company in H1 2024, 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.

Core capital

As at 30 June 2024 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*
In total			**11,040 071**		**33,120**			

Information on changes in estimates related to the consolidated financial statements

CHANGES DUE TO PROVISIONS

Changes in provisions H1 2024	As at 01.01.2024	Creation	Use and release	As at the end of the period
For retirement and similar benefits, including:	4,027	1,233	679	4,581
a) long-term	1,065	2	62	1,005
b) short-term	2,962	1,231	617	3,576
Other provisions, including: 0	1,889	1,766	1,306	2,349
b) other	1,889	1,766	1,306	2,349
Total	**5,916**	**2,999**	**1,985**	**6,930**

Changes in provisions H1 2023	As at 01.01.2023	Creation	Use and release	As at the end of the period
For retirement and similar benefits, including:	2,916	1,614	503	4,027
a) long-term	495	570	0	1,065
b) short-term	2,421	1,044	503	2,962
Other provisions, including: 0	71	1,889	71	1,889
b) other	71	1,889	71	1,889
Total	**2,987**	**3,503**	**574**	**5,916**

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

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

DEFERRED INCOME TAX PROVISION ASSETS AND PROVISIONS

Changes in status H1 2024	As at 01.01.2024	Creation	Use and release	Balance at the end of the period
Asset for deferred income tax	1,334	1,033	675	1,692
Provision for deferred income tax	4,902	118	521	4,499
Asset/Provision after compensation	3,568			2,807

Changes in status H1 2023	As at 01.01.2023	Creation	Use and release	Balance at the end of the period
Asset for deferred income tax	942	596	204	1,334
Provision for deferred income tax	6,027	0	1,125	4,902
Asset/Provision after compensation	5,085			3,568

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 January 1, 2020, 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 June 2024, a deferred tax liability of PLN 3,169 thousand was recognised as the difference between the prepayments shown in the statement of comprehensive income and the actual tax resulting from the calculated tax base, which was presented in the statement of financial position as an income tax liability.

WRITE-DOWNS ON ASSETS

Changes in status H1 2024	As at 01.01.2024	Creation	Use and release	As at the end of the period
Write-downs of receivables	209	0	0	209
Write-downs of inventories	845	713	0	1,558
Write-downs of tangible fixed assets 0	1,207	0	32	1,175
Write-downs of intangible assets	8,511	0	0	8,511

Changes in status H1 2023	As at 01.01.2023	Creation	Use and release	As at the end of the period
Write-downs of receivables	227	73	91	209
Write-downs of inventories	197	845	197	845
Write-downs of tangible fixed assets 0	1,444	0	237	1,207
Write-downs of intangible assets	4,583	3,928	0	8,511

The Group makes a write-down of assets. During H1 2024, there were indications of an inventory write-down of PLN 713 thousand.

At the same time, during the six months ended 30 June 2024, the Group acquired property, plant and equipment and intangible assets worth PLN 7.1 million.

Long-term and short-term financial liabilities

BANK LOAN LIABILITIES

	As at 30.06.2024	As at 31.12.2023
up to 1 year	3,316	3,019
More than one year	7,183	8,691
Total	**10,499**	**11,710**

LIABILITIES FROM FINANCE LEASING CONTRACTS

	Total present value of minimum fees	
	as at 30.06.2024	as at 31.12.2023
up to 1 year	959	358
within 1 to 5 years	1,479	500
Total	**2,438**	**858**

As at 30 June 2024, the Group's companies have fixed assets used under leasing agreements. The carrying value of machinery and equipment, cars and other fixed assets used under finance leases as at 30 June 2024 was PLN 3,237k

LIABILITIES FROM LEASING CONTRACTS - IFRS-16

	Total present value of minimum fees	
	as at 30.06.2024	as at 31.12.2023
up to 1 year - lease	1,260	1,146
up to 1 year – Perpetual usufruct right to land	4	4

within 1 to 5 years - lease	3,795	4,229
in the period over one year - Perpetual usufruct right to land	1,403	1,187
Total	6,462	**6,566**

As at 30 June 2024, the Group has fixed assets used under lease agreements. As at 30 June 2024, the carrying amount of tangible assets under lease of premises, the right of perpetual usufruct of land and machinery and vehicles was PLN 9,580 k including PLN 5,006 k under lease of premises, PLN 1,337 k under perpetual usufruct of land, and PLN 3,237 k under machinery and vehicles.

Dividends paid and proposed for payment

Makarony Polskie SA did not pay a dividend in 1H 2024.

In 2024, the Management Board of the Company decided to recommend to the Annual General Meeting that the net profit for the period from 01 January 2023 to 31 December 2023 in the amount of PLN 24,798,453.79 should be divided as follows:

- pay shareholders a dividend of PLN 0.75 gross per share, i.e. allocate the amount of PLN 8 280 053.25 for dividend payment,
- allocate the remaining part of the profit of PLN 16 518 400.54 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 24 June 2024, the Annual General Meeting of Makarony Polskie SA adopted resolutions on approving the financial statements for the reporting year 2023 and net profit distribution. By decision of the General Meeting, the net profit for the period from 01 January 2023 to 31 December 2023 was distributed in accordance with the recommendation of the Management Board, i.e. as follows:

- the amount of PLN 8,280,053.25 was earmarked for the payment of dividends to shareholders in the gross amount of PLN 0.75 per share,
- the remaining part of the profit in the amount of PLN 16 518 400.54 was allocated to the Company's supplementary capital.

The dividend date was set for 03 July 2024. The dividend was paid on 12 July 2024. 11,040,071 Company shares were 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.

Remuneration of members of the Management Board and Supervisory Board of parent unit

The total value of remuneration paid to members of the Management Board of Makarony Polskie SA in the first half of 2024 was PLN 769 k, in the same period of 2023 it was the amount of PLN 822 k.

Remuneration of the members of the Supervisory Board of Makarony Polskie SA in the first half of 2024 amounted to PLN 82 k, in the same period of 2023 it was the amount of PLN 89 k.

Members of the Management Board and Supervisory Board of Makarony Polskie SA did not receive any remuneration from subsidiaries.

The Company did not grant any loans to members of the Management Board and Supervisory Board of Makarony Polskie SA.

Settlement between affiliates and subsidiaries

During the first half of 2024, 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 Company, individual companies enter into transactions of purchase and sale of products, goods and services among themselves. There are agreements between the companies specifying the terms of cooperation, adapted to the Group's organizational structure. All transactions are performed under the market terms and conditions.

Affiliate	Sales to affiliates- comprehensive income		Purchases from affiliates	
	For the period from 01.01 to 30.06.2024	For the period from 01.01 to 30.06.2023	For the period from 01.01 to 30.06.2024	For the period from 01.01 to 30.06.2023
Parent company - Makarony Polskie S.A.	525	810	26,176	29,755
- from/to Stoczek Sp. z o.o.	517	211	23,276	23,009
- from/to MP Trade Sp. z.o.o.	8	22	2,900	2,685
- from/to PPH „SAS" Sp. z o.o.	0	577	0	4,061

Affiliate	Receivables from affiliates	Liabilities towards affiliates

	As at 30/06/2024	As at 30.06.2023	As at 30.06.2024	As at 30.06.2023
Parent company - Makarony Polskie S.A.	274	81	6,651	10,472
- from/to Stoczek Sp. z o.o.	272	79	5,946	9,835
- from/to MP Trade Sp. z.o.o.	2	2	705	637
- from/to PPH „SAS" Sp. z o.o.	0	0	0	0

Settlements between subsidiaries

Subsidiaries	Sales between subsidiaries - total revenues		Purchases between subsidiaries	
	For the period from 01.01 to 30.06.2024	For the period from 01.01 to 30.06.2023	For the period from 01.01 to 30.06.2024	For the period from 01.01 to 30.06.2023
Total subsidiary	37	197	37	197
- from/to Stoczek Sp. z .o.o. 2	2	2	35	195
- from/to MP Trade Sp. z .o .o.	35	195	2	2
- from/to PPH „SAS" Sp. z o.o.	0	0	0	0

Subsidiaries	Mutual receivables between subsidiaries		Mutual liabilities between subsidiaries	
	As at 30/06/2024	As at 30.06.2023	As at 30.06.2024	As at 30.06.2023
Total subsidiary	0	0	0	0
- from/to Stoczek Sp. o.o. 0	0	0	0	0
- from/to MP Trade Sp. z.o.o.	0	0	0	0
- from/to PPH „SAS" Sp. z o.o.	0	0	0	0

Information on planned share issues

During the reporting period and until the date of publication of these statements, the Company did not issue any shares.

Authorisation for the Management Board to purchase own shares of Makarony Polskie S.A.

On 24 June 2024, the General Meeting of the Company, in response to the proposal made by the Management Board of the Company, by Resolution No. 26, resolved to authorise the Management Board of the Company to acquire ordinary bearer shares of Makarony Polskie S.A., with a nominal value of PLN 3.00 each, listed on the main market of the Warsaw Stock Exchange, i.e. the official stock exchange listing market.

Pursuant to the decision of the General Meeting, the Company is authorised to purchase its own fully paid-up Shares, with the maximum number of treasury shares that the Company may purchase being 1,000 000 shares, with the proviso that the total nominal value of the shares purchased, together with the nominal value of the remaining shares that have not been sold by the Company, may not exceed 20% of the Company's share capital. The shares will be purchased in particular for the purpose of: redemption, further resale or exchange.

The granted authorization covers a period of 5 years from the date of adopting the Resolution of the General Meeting, but no longer than until the capital reserve created for the purpose of acquiring own shares is used.

In accordance with the resolution of the General Meeting, the payment price per share will range from PLN 6.00 to PLN 25.00 and the total maximum payment for the acquired shares will not exceed the amount of the reserve capital created for this purpose.

The date of commencement and termination of the acquisition of treasury shares, as well as the terms and conditions of the acquisition of treasury shares not specified in the Resolution of the General Meeting, the Management Board is obliged to communicate each time to the public, in accordance with Article 56 of the Act of 29 July 2005 on public offering (...) and in accordance with Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (...).

The General Meeting authorized the Management Board to take all factual and legal actions necessary to acquire own shares in accordance with the adopted Resolution and to define the remaining rules and conditions for the acquisition of own Shares, in the scope not regulated by the Resolution

For the purpose of carrying out the acquisition of treasury shares by the Company, on the basis and within the limits of the authorisation granted to the Management Board, a reserve capital of PLN 25.0 million was created. The reserve capital was created by transferring an amount of PLN 25.0 million from the Company's reserve capital.

Pursuant to a resolution of the General Meeting, the Management Board, guided by the interests of the Company, may, after consulting the Supervisory Board, terminate the acquisition of equity shares before the end of the authorisation and, with the consent of the General Meeting, abandon the acquisition of equity shares in part or in whole, provided that information on such decisions is to be made public by the Management Board in the manner prescribed by the Act on Offering and the Ordinance.

Buyback of equity shares

On 9 September 2024, the Management Board of the Company, acting within the boundaries and on the basis of the authorisation granted by the Annual General Meeting by Resolution No. 26 of 24 June 2024 regarding the authorisation of the Management Board of the Company to buyback its equity shares, adopted the Regulations of the Makarony Polskie S.A. Equity Share Buyback Programme.

The adopted Regulations define detailed conditions of the Company's equity share buyback and its content was made public by current report no. 14/2024 of 9 September 2024. Pursuant to the Regulations, the Company may acquire its equity shares for cancellation, further resale, conversion, as well as for any other purpose in accordance with Resolution No. 26 of the Ordinary General Meeting of the Company of 24 June 2024 and Article 362 § 8 of the Commercial Companies Code.

On 9 September 2024, the Company's Management Board entered into a framework Agreement with the investment company Trigon Dom Maklerski S.A. to buy back 1,000,000 equity shares of Makarony Polskie S.A. for the period until 30 June 2026 at a price not lower than PLN 6.00 and not higher than PLN 20.00 per share.

At the same time, the Company's Management Board decided to start purchasing Equity Shares as part of transactions concluded on the regulated market of the Warsaw Stock Exchange S.A. by submitting the first order to Trigon Dom Maklerski S.A. to purchase Equity Shares in the quantity of 1,000. 000 units, for a period until 8 December 2024, at a price of not less than PLN 6.00 and not more than PLN 20.00 per share, under the conditions set out in the provisions of Commission Delegated Regulation (EU) 2016/1052 of 8 March 2016 supplementing Regulation (EU) No 596/2014 of the European Parliament and of the Council as regards regulatory technical standards on conditions applicable to buy-back programmes and stabilisation measures and national legislation.

Equity shares are purchased on the official stock exchange listing market operated by the Warsaw Stock Exchange (Giełda Papierów Wartościowych w Warszawie SA) as a result of brokerage orders. The total number of equity shares purchased under the order referred to above may not exceed 1,000,000 (in words: one million) units, representing 9.06% of the value of the Company's share capital.

In the period from 9 September 2024 to 25 September 2024, a total of 5,953 own shares of Makarony Polskie SA (PLMKRNP00015) with a nominal value of PLN 3 each were purchased for the Company's account at an average unit share price of PLN 19.49.

The total number of equity shares purchased and retained by the Company is 5,953 shares, representing approximately 0.05% of the share capital and the same % share in the total number of votes at the General Meeting of Shareholders.

Agreements material for the Group's operations

During H1 2024 and up to the publication date of this report, the Company has not entered into any agreements that meet the criteria of a significant agreement.

Information on concluded and terminated loan and factoring agreements

LONG- AND SHORT-TERM LOANS AND BORROWINGS

	30/06/2024	31/12/2023
- long-term part	7,183	8,691
- short-term part	3,316	3,019
Total	**10,499**	**11,710**

The balance of loan and factoring agreements in effect as at 30 June 2024, 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 June 2024
Loan contractual value	PLN 5,000 k
Loan period	18.10.2013 – 02.06.2025
Interest rate	WIBOR 1M + the bank's margin that does not differ from the standards applied by the bank
Loan balance	PLN 0 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, – 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 June 2024
Loan contractual value	PLN 4,400 k

Loan period	10.06.2021 – 30.01.2026
Interest rate	WIBOR 1M + the bank's margin that does not differ from the standards applied by the bank
Loan balance	PLN 2,146 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 colateral for the de minimis guarantee.

– Investment loan at Santander Bank Polska SA

Loan terms and conditions	**30 June 2024**
Loan contractual value	PLN 12,000 k
Loan period*	07.12.2021 – 31.03.2029
Interest rate	WIBOR 1M + the bank's margin that does not differ from the standards applied by the bank
Loan balance	PLN 8,304 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 82 equalizing installments in the amount of PLN 96 k each.
Loan collateral	– – a contractual joint mortgage up to the amount of PLN 18,000 k on the Koprele real estates: KW No. OL1S/00032815/5, KW No. OL1S/00039349/6, KW No. OL1S/00044965/8 together with the assignment of rights under the real estate insurance policy; – the Company's declaration of submission to enforcement pursuant to Article 777 of the Code of Civil Procedure in the form of a notarial deed.

– Overdraft in BNP Paribas Bank Polska SA

Loan terms and conditions	**30 June 2024**
Loan contractual value	PLN 7,000 k
Loan period	01.01.2025 - 31.11.2023
Interest rate	WIBOR 1M + the bank's margin that does not differ from the standards applied by the bank
Loan balance	PLN 0 k
Repayment schedule	once on the liability maturity date
Loan collateral	– contractual mortgage up to the amount of PLN 10,500 thousand on real estate in Częstochowa marked with KW no. CZ1C/00111425/8 together with assignment of rights from the real estate insurance policy, – blank bill of exchange issued by the Company together with a bill of exchange declaration, – declaration on submission to enforcement made pursuant to Article 777 of the Code of Civil Procedure, in the form of a notarial deed.

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

Terms of the agreement	30 June 2024
Contractual value	PLN 7,500 k
Duration	Agreement concluded for an indefinite period
Interest rate	WIBOR 1M + the bank's margin that does not differ from the standards applied by the bank
Factoring balance	PLN 0 k
Contract collateral	– irrevocable power of attorney to the account, – blank promissory note with a promissory note declaration

The balance of loan agreements in effect as at 30 June 2024, for which Stoczek Natura Sp. z o.o. was a party to the agreements, is presented in the tables below:

– Multi-option credit line with BNP Paribas Bank Polska SA with a separate sub-limit for an overdraft facility

Credit terms and conditions	30 June 2024
Loan contractual value	PLN 4,000 k
Loan period	26.10.2023 - 26.10.2025
Interest rate	WIBOR 1M + the bank's margin that does not differ from the standards applied by the bank
Loan balance	PLN 0 k
Repayment schedule	once on the liability maturity date
Loan collateral	– contractual mortgage of up to PLN 10,800 thousand on the property marked with KW No. LU1U/00022979/2 together with assignment of rights under the property insurance policy, – blank bill of exchange issued by the Company together with a bill of exchange declaration, – 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 LOANS GRANTED

During H1 2024, Makarony Polskie S.A. did not grant any loans to its subsidiaries and the subsidiaries did not grant any loans to each other.

Sureties and guarantees

Information on granted and received guaranties

During H1 2024, guarantees received were used by Makarony Polskie SA and Stoczek Natura Sp. z o.o.

A summary of the guarantees in force at Makarony Polskie SA as at 30 June 2024 is shown in the table below:

Guarantor	Guarantee amount in PLN k	Validity of the guarantee	Subject of the guarantee	Collateral
Santander Bank Polska SA	457	until 31.03.2027	guarantee securing the Company's contractual obligations under the institutional contract concluded	– joint mortgage of up to PLN 686 thousand on the Company's real estate in Rzeszów (KW no. RZ1Z/00076860/5) and in Płock (KW no. PL1P/00094893/6, KW no. PL1P/00097530/5, KW no. PL1P/00114158/9, KW no. PL1P/00097363/3) together with assignment of rights under the real estate insurance policy; – blank promissory note with promissory note declaration; – the Company's declaration of submission to enforcement pursuant to Article 777 of the Code of Civil Procedure in the form of a notarial deed.
Santander Bank Polska SA	312	do 20.03.2028	guarantee securing the Company's contractual obligations under the institutional contract concluded	– the Company's declaration of submission to enforcement pursuant to Article 777 of the Code of Civil Procedure in the form of a notarial deed.

A summary of the guarantees in force at Stoczek Natura Sp. z o.o. as at 30 June 2024 is shown in the table below:

Guarantor	Guarantee amount in PLN k	Validity of the guarante e	Subject of the guarantee	Collateral
BNP Paribas Bank Polska SA	2,235	until 31.12.2024	guarantee securing the Company's contractual obligations under the institutional contract concluded	– contractual mortgage up to the amount of PLN 10 800 000 on the real estate designated in Land and Mortgage Register No. LU1U/00022979/2 in Stoczek Łukowski together with an assignment of the real estate insurance policy, – blank bill of exchange issued by the company together with a bill of exchange declaration, – declaration of submission to enforcement pursuant to Art. 777 of the Code of Civil Procedure in the form of a notarial deed submitted by the company
BNP Paribas Bank Polska SA	559	until 31.03.2026	guarantee securing the Company's contractual obligations under the institutional contract concluded	
BNP Paribas Bank Polska SA	604	until 29.02.2028	guarantee securing the Company's contractual obligations under the institutional contract concluded	

INFORMATION ON GRANTED AND RECEIVED SURETIES

During H1 2024, the companies of the Makarony Polskie Group did not grant warranties and did not make use of warranties.

Off-balance sheet items

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

(in PLN k)*	30 June 2024	31 December 2023
1. Contingent assets	**4,389**	**3,942**
- received guarantees and sureties	4,167	3,720
- collaterals on assets	0	0
- promissory notes	222	222
2. Contingent liabilities	**71,204**	**96,073**
- for provided guarantees and warranties	0	0
- collaterals on property	61,986	79,482
- promissory note obligations	9,218	16,591
Total off-balance items	**-66,815**	**-92,131**

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. Sureties between entities within the Group are not included in the statement due to the lack of impact 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 the Company or a subsidiary were pending before a court, competent arbitration authority or public administration body.

Other material events and transactions

In the first half of 2024, there were no material events or transactions other than those above described that required disclosure in these financial statements of the Group.

- Significant events and transactions after the balance sheet date that could affect the Group's future financial performance and operations.

There were no events after the balance sheet date that could significantly affect the financial results.

In September 2024, Makarony Polskie S.A. commenced the repurchase of treasury shares described in detail in this report, carried out within the limits and based on the authorisation granted to the Management Board of the Company by the Ordinary General Meeting of Makarony Polskie S.A. by Resolution No. 26 of 24 June 2024 on authorising the Management Board of the Company to purchase treasury shares and based on the Regulations of the Issuer's Equity Share Repurchase Programme adopted and published by the Management Board of the Company on 9 September 2024.

Makarony Polskie
- SPÓŁKA AKCYJNA -

CONDENSED SEPARATE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01.01.2024 TO 30.06.2024

Makarony Polskie SA

Legal basis for preparation of financial statements of Makarony Polskie SA

Declaration of compliance and the basis for preparing the statements

The condensed consolidated financial statements of Makarony Polskie SA have been prepared on the basis of the International Accounting Standards as approved by the European Union (EU) and the related interpretations promulgated in the form of implementing regulations of the European Commission (hereinafter referred to as "IFRS"), applicable to interim financial reporting as approved by the European Union (IAS 34 "Interim Financial Reporting") in accordance with Article 55.5 of the Accounting Act (Dz. U. of 2023, item 120, as amended) and the implementing regulations issued on its basis, and in accordance with the requirements set out in the Regulation of the Minister of Finance of 29 March 2018 on current and periodic information provided by issuers of securities and the conditions for recognising as equivalent the information required by the laws of a non-member state (Dz. U. of 2018, item 757) published and in force at the time of preparation of these Condensed consolidated financial statements. The interim condensed financial statements do not include all information and disclosures required in the annual financial statements and should be read together with the Company's financial statements for the year ended December 2023.

Basis for valuation

The presented condensed financial statements have been prepared in accordance with the historical cost principle, with the exception of the valuation at fair value of certain assets, i.e. the assets purchased as part of the Abak Sp. z o.o. purchase transaction.

Functional and presentation currency

The measurement currency, included in these financial statements and the reporting currency of these financial statements is the Polish zloty.

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

Legal basis for preparation of financial statements of Makarony Polskie SA

Accounting principles applied and the basis for preparing the statements

The accounting principles used to prepare the interim condensed financial statements are consistent with those applied to the preparation of the annual financial statements for the year ended 31 December 2023 (published on 23 April 2024). The company's financial year is the calendar year.

Makarony Polskie SA prepares financial statements according to IAS/IFRS.

Duration of the Company operation is not limited.

Publication and approval of the financial statements

These condensed financial statements were reviewed by an auditing company and approved by the Management Board for publication on 26 September 2024

OExplanations regarding seasonality or cyclicality in relation to the Company's interim operations

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

Changes to the rules for preparing financial statements

The accounting policies applied in the preparation of these interim condensed separate financial statements for the six months ended 30 June 2024 are consistent with those applied in the preparation of the annual separate financial statements for the financial year ended 31 December 2023, except for the changes described below.

The same principles were applied for the current and comparable period.

Changes resulting from amendments to IFRS

The following new or amended standards and interpretations issued by the International Accounting Standards Board (IASB) or the International Financial Reporting Interpretations Committee apply from the beginning of the reporting period.

- Amendment to IAS 1 Presentation of Financial Statements: Classification of liabilities as short- and long-term

  The amendment to IAS 1 was published on 23 January 2020, subsequently modified in July 2020 and finally adopted on 31 October 2022. The amendment is effective for annual

periods beginning on or after 1 January 2024. The amendment redefines the criteria that must be met so that a liability is considered short-term. The amendment may change the presentation of liabilities and their reclassification between short- and long-term liabilities.

The Company shall apply the amended standard from 1 January 2024.

- Amendment to IAS 12 Income Taxes: International Post-Tax Reform - Model Pillar II (Global Minimum Tax)

  The amendment to IAS 12 was published on 23 May 2023. Companies can apply the exemption immediately, but disclosure requirements were already required for annual periods beginning on or after 1 January 2023. The amendments provide companies with a temporary exemption from accounting for deferred taxes arising from the Organisation for Economic Co-operation and Development (OECD) international tax reform.

  The Company applies the amendment to the standard from 1 January 2024 but, in terms of the necessary disclosures, has already adopted it in the 2023 financial statements. At the date of these financial statements, it is not possible to reliably estimate the impact of applying the new standard.

- Amendment to IFRS 16 - Leases, lease commitments in sale and leaseback transactions

  The amendment to IFRS 16 was published on 22 September 2022. The amendments require the seller-lessee to determine 'lease payments' or 'revised lease payments' so that the seller-lessee does not recognise any amount of gain or loss that relates to the right of use retained by the seller-lessee.

  The company applies the change in the standard from 1 January 2024.

- Amendment to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier financing arrangements.

  The amendment to IAS 7 was published on 25 May 2023. The amendments are intended to increase transparency about supplier financing arrangements and their impact on a company's liabilities, cash flows and exposure to liquidity risk. The amendments supplement the requirements already contained in the IAS and require entities to disclose additional information related to their contracts, including their impact on liquidity risk. The amendments are effective for annual periods beginning on or after 1 January 2024.

  The Company applied the amendment to the standard from 1 January 2024, following the entry into force of the Commission Regulation (EU) approving the amendments for use in EU countries. The regulation was published on 16 May 2024 and became effective, with effect for reporting periods beginning on 1 January 2024, on the twentieth day after its publication

The implementation of the standards did not affect the Company's financial statements..

Amendments introduced independently by the Company

The Company has not adjusted the presentation of the comparative data as at 31 December 2023 and for the period of 6 months ended 30 June 2024.

Non-applicable standards (New standards and interpretations)

In these financial statements, the Company has not decided to apply the published standards and interpretations earlier before their effective date.

The following standards and interpretations have been issued by the International Accounting Standards Board or the International Financial Reporting Interpretations Committee but are not yet effective at the balance sheet date;

- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Non-convertibility of Currency issued on 15 August 2023.

  The amendments will require entities to use a consistent approach to assessing whether a currency is convertible into another currency and, when this is not possible, to determine the exchange rate to be used and the disclosures to be made. The amendments are effective for annual periods beginning on or after 01 January 2025.

  The Company will apply the amended standard not sooner than from 01 January 2025. As at the date of these financial statements, it is not possible to reliably estimate the impact of applying the new standard

- IFRS 18 Presentation and Disclosures in Financial Statements published on 9 April 2024.

  The new standard will replace IAS 1 and will apply for the first time to annual periods beginning on or after 1 January 2027. The new standard is the result of the so-called Core Financial Statements project and aims to improve the way in which entities report information in their financial statements.

  The main changes in the new standard compared to the previous requirements of IAS 1 include:

  1) The introduction of categories and defined line summaries in the income statement (statement of comprehensive income), which are intended to provide additional relevant information and ensure an income statement structure that is more comparable between entities. In particular, income and expense items are required to be classified into one of the following categories on the income statement: Operating Activities, Investing Activities, Financing Activities, Income Taxes and Discontinued Operations. Entities will also be required to present the following subtotals: operating profit or loss, earnings or loss before interest and income tax (EBIT), profit or loss.

2) Introducing requirements to improve aggregation and disaggregation to obtain additional relevant information and ensure that material information is not obscured. In particular, IFRS 18 provides guidance on whether the information should be in the basic financial statements (whose role is to provide a useful structured summary) or in the notes. Entities will be required to identify assets, liabilities, equity, income and expenses that arise from individual transactions or other events and classify them into groups based on common characteristics, resulting in the recognition of a grouped item in the basic financial statements that share one or more common characteristics. These groups will then be separated based on further dissimilar characteristics, resulting in the separate disclosure of significant items in the notes. Non-significant items with dissimilar characteristics may need to be aggregated to avoid obscuring material information. Entities should use appropriate narrative headings or, if this is not possible, provide information in the notes about the composition of such aggregated items.

3) The new standard introduces stricter guidance on whether the analysis of operating costs is to be based on their type or function/place of origin. The presentation should be done in a way that provides the most useful structured summary of operating costs by considering several factors.

4) Introduce disclosures on Management Defined Performance Measures (MPMs) in the notes to the financial statements to provide transparency and rigour in the use of such measures and disclosures in one place. Specifically: MPMs are defined as subtotals of revenue and expenses that are used in information provided to public users of financial statements outside the financial statements, supplement the totals or subtotals included in IFRS and convey management's view of an aspect of an entity's financial performance. MPM disclosures that will be mandatory: a description of why the MPM represents management's view of performance; a description of how the MPM was calculated; a description of how the measure/indicator provides useful information about the entity's financial performance; a reconciliation of the MPM to the most directly comparable subtotal or total as defined by IFRS; a statement that the MPM represents management's view of an aspect of the entity's financial performance; the impact of tax and non-controlling interests separately for each of the differences between the MPM and the most directly comparable partial or total amount as determined by IFRSs; if there is a change in the calculation of the MPM, an explanation of the reasons for and effect of the change.

In addition to the above changes, the standard introduces changes to IAS 7: the use of operating profit as a single starting point for the indirect method of reporting cash flows from operating activities; and the removal of presentation alternatives for interest and dividends. The purpose of these changes is to enhance the comparability of the statement of cash flows between different entities.

The Company will apply the new standard no earlier than 1 January 2027. At the date of these financial statements, it is not possible to reliably estimate the full impact of applying the new standard.

- IFRS 19 Subsidiaries not subject to public oversight ('without Public Accountability'): Disclosures

  The new standard IFRS 19 'Subsidiaries not subject to Public Oversight Requirements: Disclosures', which allows subsidiaries to make limited disclosures when applying IFRS in their financial statements. IFRS 19 is optional for qualifying subsidiaries and sets out disclosure requirements for subsidiaries that choose to apply it. The new standard is effective for reporting periods beginning on or after 1 January 2027, with early adoption permitted. The standard was published on 9 May 2024 and the EU has not yet started the formal endorsement process for the standard.

  The Company is not subject to the requirements of the standard due to being an entity subject to public oversight

- Amendments to IFRS 9 and IFRS 7 Amendments to the Classification and Measurement of Financial Instruments published on 30 May 2024

  The amendments clarify the principles for classifying financial assets taking into account environmental, social, governance (ESG) and similar characteristics associated with the asset. The amendments also relate to the settlement of liabilities through electronic payment systems - they clarify the date on which a financial asset or liability is derecognised. The amendments are effective for annual periods beginning on or after 01 January 2026.

  The Company will apply the amended standard not sooner than from 01 January 2026. As at the date of these financial statements, it is not possible to reliably estimate the impact of applying the new standard

- Amendments from various standards resulting from the annual review of International Financial Reporting Standards (Annual Improvements Volume 11) published on 18 July 2024

On 18 July 2024, minor amendments were made to the following standards as a result of the review of IFRS:

- - IFRS 1 - regarding hedge accounting for first-time adopters;
- - IFRS 7 - regarding the recognition of gain or loss on discontinued recognition of financial instruments, the disclosure of the deferred difference between fair value and transaction price and the introduction and disclosure of credit risk;

- IFRS 9 - regarding the discontinuation of the recognition of lease liabilities and the clarification of the definition of 'transaction price' in conjunction with IFRS 15;
- IFRS 10 - regarding the clarification of the term 'de facto agent';
- IAS 7 - regarding the clarification of the term 'cost method'.

They are mostly applicable for annual periods beginning on 1 January 2026, with the possibility of early application.

The Company will apply the revised standards no earlier than 1 January 2026. At the date of these financial statements, it is not possible to reliably estimate the full impact of the application of the new standard

IFRS as adopted by the EU does not currently differ significantly from the regulations adopted by the International Accounting Standards Board (IASB), with the exception of the following standards, interpretations and amendments which as the date of approval of these statements for publication have not yet been adopted for use by the EU countries:

- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Non-convertibility of Currency issued on 15 August 2023.
- IPSF 18 Presentation and Disclosures in Financial Statements published on 9 April 2024,
- IFRS 19 Subsidiaries not subject to public oversight ('without Public Accountability'): Disclosures published on 9 May 2024, in which case the EU has not yet started the formal endorsement process for this standard,
- Amendments to IFRS 9 and IFRS 7 Amendments to Classification and Measurement of Financial Instruments published on 30 May 2024,
- Amendments to various standards arising from the annual review of International Financial Reporting Standards (Annual Improvements Volume 11) published on 18 July 2024.

First-time Adoption of IFRS 17 and IFRS 9 Comparative Information, published on 9 December 2021The implementation of the standards did not have a material effect on the Company's financial statements.

Accounting principles applied

For the preparation of these condensed interim financial statements, the accounting principles have been applied unamended with respect to the principles applied in the preparation of the annual financial statements for 2023, (- note Declaration of compliance with regulations)

The new standards and interpretations that came into force in 2024 did not have a significant impact on the accounting principles applied by the Company.

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 31.12.2023, the company has prepared impairment tests on the shares held in subsidiaries and the ABAK brand. As at 30.06.2024, the company has analysed potential indications resulting in the need for new impairment tests for the assets indicated. As a result of the analysis, no premises resulting in the need to prepare new impairment tests were identified. Further tests will be prepared as at 31.12.2024.

Going Concern

The financial statements of Makarony Polskie SA Company have been prepared on the assumption that the business will be continued in the foreseeable future and not significantly reduced. The Company did not conduct operations which were discontinued in the first half of 2024.

Events affecting assets, liabilities, equity, net income or cash flow statement that are unusual because of their nature, size or frequency

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

The impact of the political and economic situation in Ukraine on the business and financial performance of Makarony Polskie Company is visible in several areas:

- due to the unrestricted inflow of raw materials and materials, a ban on the import of grain and grain products, including flour, from the territory of Ukraine was introduced in 2023, which closed the possibility of developing cooperation with suppliers from the

Ukrainian market in the situation of products for which there is no alternative on the domestic market,

- The ongoing warfare and the situation on the Polish-Ukrainian border also affected the decline in trade with Ukrainian customers, which was reflected in a decrease in exports to this market, although a gradual increase in orders from Ukrainian customers was observed in 2Q.

Immediately after the outbreak of war in Ukraine, in the Makarony Polskie 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 in the area of security, financial liquidity and achieved results. In the opinion of the Management Board, the Company's current financial situation does not threaten the continuation of its operations in future periods.

The situation in Ukraine has not materially affected the Company's operations to date. In the opinion of the Management Board, there are no risks in the Company that would prevent it from settling its liabilities. The Company is not experiencing problems with the repayment of receivables by its contractors (no changes in the collection of receivables have been identified). The Company has not identified an increase in risks in the valuation and backlog of inventories. As at the publication date of the statements, the Group does not identify any significant risks of failure to meet the financial covenants included in loan agreements in connection with the war in Ukraine.

At this moment, despite the war going on, it is difficult to predict the further situation in Ukraine and its impact on the situation of the Makarony Polskie Company, but it should be stated that as of today, the impact, both in the area of export sales and purchase of raw materials, is not significant. Other, internal national factors have a much greater impact on the situation of the food business in Poland.

The impact of inflation on consumer behaviour and the food market

The macroeconomic situation related to inflation changes the behaviour of consumers who, caring for their limited budgets, often limit their purchases to a basket of basic needs and products. The price of the product is also becoming increasingly important in purchasing decisions. The stagnation in the market is forcing shops and retail chains to take aggressive action to stimulate consumption and attract customers through deep promotions and shelf price reductions. This has translated into increasing pressure on manufacturers to cut prices, often against the level of producer inflation.

The increasing cost of living has also affected the financial expectations of employees, who have requested increases at the beginning of 2024, which has had an impact on revenues, particularly in Q1 2024.

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

The Makarony Polskie SA Company did not publish financial forecasts for the year 2024.

Factors and threats with a significant impact on financial performance in the reporting period and subsequent periods

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

Selected financial data of Makarony Polskie S.A.

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 U. of 2018, item 757).

- items of the statement of financial position have been converted at the average exchange rate announced by the National Bank of Poland as at the balance sheet date 30 June 2024, EUR 1= PLN 4.3130; 31 December 2023, EUR 1= PLN 4.3480
- 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 H1 2024 = PLN 4.3109 and at the end of each month of H1 2023 = PLN 4.6130.

Selected financial data	30 June 2024 (in PLN k)	30.06.2023 (in PLN k)	30 June 2024 (in in EUR k)	30 June 2023 (in in EUR k)
Net revenues from sale of products, services, goods and materials	145,624	138,552	33,780	30,035
Profit (loss) from continued operations	17,299	10,268	4,013	2,226
Gross profit (loss)	17,177	9,521	3,985	2,064
Net profit (loss) from continued operations	13,757	7,672	3,191	1,663
EBIT	17,299	10,268	4,013	2,226
EBITDA (EBIT + depreciation)	23,605	14,976	5,476	3,246
Net cash flows from operating activities	22,656	19,380	5,255	4,201
Net cash flows from investment activities	- 3,467	- 1,846	- 804	- 400
Net cash flows from financial activities	- 2,989	- 6,503	- 693	- 1,410
Total net cash flows	16,200	11,031	3,758	2,391
Total assets ***	233,728	220,926	54,192	50,811
Liabilities and provisions for liabilities ***	86,213	78,888	19,989	18,143
Long-term liabilities ***	29,014	31,685	6,727	7,287
Short-term liabilities ***	57,199	47,203	13,262	10,856
Equity ***	147,515	142,038	34,202	32,667
Share capital ***	33,120	33,120	7,679	7,617
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	11,040,071	11,040,071	11,040,071
Profit/loss per ordinary share (in PLN/EUR) *	1.25	0.69	0.29	0.15
Book value per one share (in PLN/EUR) **	13.36	12.87	3.10	2.96

* 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 figures for the statement of financial position as at 31 December 2023

Condensed statement of comprehensive income of Makarony Polskie S.A.

Makarony Polskie SA	Q2 of 2024	H1 of 2024	Q2 of 2023	H1 of 2023
Revenues from sales	**68,370**	**145,624**	**72,213**	**138,552**
Revenues from sales of other products and services	55,634	118,957	53,987	108,906
Net revenues from sales of materials and goods	12,736	26,667	18,226	29,646
Own cost	**49,807**	**105,442**	**55,768**	**108,177**
Production costs of products and services sold	37,649	80,422	39,314	81,146
Value of goods and materials sold	12,158	25,020	16,454	27,031
Gross profit (loss) on sales	**18,563**	**40,182**	**16,445**	**30,375**
Costs of sales	7,967	17,894	6,726	14,513
General administrative costs	2,661	4,656	2,824	4,372
Other revenues	808	1,430	805	1,141
Other costs	843	1,763	1,509	2,363
Profit (loss) from continued operations	**7,900**	**17,299**	**6,191**	**10,268**
Financial incomes	349	589	221	259
Financial costs	348	711	442	1,006
Gross profit (loss)	**7,901**	**17,177**	**5,970**	**9,521**
Income tax	1,496	3,420	997	1,849
Profit (loss) from continued operations, in this attributable to:	**6,405**	**13,757**	**4,973**	**7,672**
Shareholders of the parent Company	6,405	13,757	4,973	7,672
Basic net result per share in PLN	0.58	1.25	0.45	0.69
Diluted net result per share in PLN	0.58	1.25	0.45	0.69
Other total net income/loss	0	0	0	0
Total net income, in this attributable to:	**6,405**	**13,757**	**4,973**	**7,672**
Shareholders of the parent Company	6,405	13,757	4,973	7,672
Non-controlling shares				

Condensed statements of the financial position of Makarony Polskie SA

ASSETS	30 June 2024	31 December 2023	30 June 2023
FIXED ASSETS	**131,725**	**131,547**	**132,649**
Fixed tangible assets	93,313	93,153	93,298
Fixed assets - IFRS-16	6,344	6,491	3,294
Investment real estate 603	0	0	603
Other intangible assets	1,982	1,817	5,359
Company goodwill value	0	0	0
Non-current financial assets of which	30,080	30,080	30,080
Shares	30,080	30,080	30,080
Borrowings granted	0	0	0
Assets for deferred income tax	0	0	0
Other long-term assets	6	6	15
CURRENT ASSETS	**102,003**	**89,379**	**91,931**
Inventories	24,173	20,159	28,868
Short-term receivables	33,101	40,683	49,068
Corporate income tax receivables	0	0	0
Borrowings granted	0	0	2,011
Cash and cash equivalents	44,353	28,160	11,492
Other short-term assets	376	377	492
ASSETS FOR SALE	**0**	0	**0**
TOTAL ASSETS	**233,728**	**220,926**	**224,580**

LIABILITIES	30 June 2024	31 December 2023	30 June 2023
EQUITY	**147,515**	**142,038**	**124,912**
Revaluation capital	33,120	33,120	33,120
Supplementary capital	75,638	52,306	52,306
Reserve capital	25,000	12,000	12,000
Retained profits/losses (profit/loss from previous years)	13,757	44,612	27,486
LONG-TERM LIABILITIES	**29,014**	**31,685**	**31,631**
Provision for deferred income tax	3,125	3,889	4,015
Long-term bank loans and borrowings	7,183	8,691	10,199
Other long-term financial liabilities	0	0	0
Provision for pensions and similar (long-term)	938	999	872
Revenues of future periods - long-term	11,090	12,190	13,271
Long-term financial liabilities - leasing	6,678	5,916	3,274
SHORT-TERM LIABILITIES	**57,199**	**47,203**	**68,037**
Short-term bank loans and borrowings	3,316	3,019	5,506
Other short-term financial liabilities 368	0	0	31
Short-term financial liabilities - leasing	2,223	1,508	1,116
Financial liabilities due to dividends	8,280	0	6,624
Other short-term liabilities	33,203	30,631	46,014
Corporate income tax liabilities 0	2,858	6,870	2,520
Revenues of future periods - short-term	2,199	2,278	2,227

Condensed statements of the financial position of Makarony Polskie SA

Provision for retirement and similar benefits (short-term)	2,771	2,245	2,143
Other short-term provisions	2,349	652	1,856
TOTAL LIABILITIES	**86,213**	**78,888**	**99,668**
TOTAL LIABILITIES	**233,728**	**220,926**	**224,580**

Condensed Statement of Cash Flows of Makarony Polskie S.A.

Makarony Polskie SA	01.01.2024 30.06.2024	01.01.2023 30.06.2023
Profit/loss before tax	**17,177**	**9,521**
Adjustments by items:		
Depreciation	6,306	4,708
Profits/losses on exchange differences	7	0
Interest expense and income	- 3	772
Profit/loss from investing activities	- 222	- 5
Change in provisions	2,162	2,968
Change in inventories	- 4,014	941
Change in receivables	7,787	-19,791
Change in liabilities and other assets and liabilities	1,652	780
Other adjustments	0	21,089
Total adjustments	**13,675**	**11,462**
Dividend revenues	0	0
Corporate income tax paid/reimbursed	- 8,196	-1,603
Cash flows from net operating activities	**22,656**	**19,380**
Cash flows from investment activities		
Proceeds from the sale of fixed assets and intangible assets	227	11
Proceeds from sales of financial assets	0	0
Expenses for the acquisition of fixed tangible assets and intangible assets	- 4,257	- 1,982
Expenses for the acquisition of subsidiaries	0	0
Interest income	563	125
Expenses for the purchase of financial assets	0	0
Proceeds from borrowings granted 0	0	0
Borrowings granted	0	0
Net cash flows from investment activities	**- 3,467**	**- 1,846**
Cash flows from financial activities		
Proceeds from loans and borrowings	46	37
Proceeds from dividends	0	0
Proceeds from the issue of debt securities	0	0
Repayment of loans and borrowings	- 1,256	- 4,779
Payment of liabilities under financial lease agreements	- 1,219	- 668
Interest paid	- 560	- 909
Payment of other financial liabilities	0	-184
Other financial revenues - subsidy	0	0
Net cash flows from financial activities	**- 2,989**	**- 6,503**
Increase/decrease in cash and cash equivalents	16,200	11,031
Cash, cash equivalents and overdrafts at the beginning of the period	**28,160**	**461**
Foreign exchange gains/losses on the valuation of cash, cash equivalents and overdrafts	-7	0
Cash, cash equivalents and overdrafts at the end of the period, including	**44,353**	**11,492**
with restricted availability	**0**	**0**

Condensed statement of changes in equity of Makarony Polskie SA

For the period from 01 January 2024 to 30 June 2024

	Core capital	Supplementary capital	Reserve capital	Retained profit/loss	In total
As at 01 January 2024	33,120	52,306	12,000	44,612	142,038
Distribution of profit/loss coverage		36,332		- 36,332	0
Profit distribution - dividend payment				- 8,280	- 8,280
Decrease in the period		-25,000	-12,000		- 37,000
Increase in the period		12,000	25,000		37,000
Other comprehensive income					
Net result after H1 2024				13,757	13,757
As at 30 June 2024	**33,120**	**75,638**	**25,000**	**13,757**	**147,515**

For the period from 01 January 2023 to 31 December 2023

	Core capital	Supplementary capital	Reserve capital	Retained profit/loss	In total
As at 01 January 2023	33,120	48,468	12,000	10,462	104,050
Distribution of profit/loss coverage		3,838		- 3,838	0
Profit distribution - dividend payment				- 6,624	- 6,624
Settlement of merger transactions				19,814	19,814
Other comprehensive income					
Net result in 2023				24,798	24,798
As at 31 December 2023	33,120	52,306	12,000	44,612	142,038

For the period from 01 January 2023 to 30 June 2023

	Core capital	Supplementary capital	Reserve capital	Retained profit/loss	In total
As at 01 January 2023	**33,120**	**48,468**	**12,000**	**10,462**	**104,050**
Distribution of profit/loss coverage		3,838		-3,838	0
Profit distribution - dividend payment				- 6,624	- 6,624
Settlement of merger transactions				19,814	19,814
Other comprehensive income					
Net result after H1 2023				7,672	7,672
As at 30 June 2023	**33,120**	**52,306**	**12,000**	**27,486**	**124,912**

Additional notes

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

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

	Q2 of 2024	H1 of 2024	Q2 of 2023	H1 of 2023
Revenues from sales of products	54,795	117,432	53,284	107,511
Proceeds from the sale of services, including:	839	1,525	703	1,395
- marketing and distribution services	235	357	77	133
- manufacturing services	268	513	320	622
- for lease and storage	313	607	267	561
- for administrative and office services	10	19	29	50
- other	13	29	10	29
Revenues from sale of materials	19	35	1,568	2,137
Revenues from sale of goods	12,717	26,632	16,658	27,509
Total	**68,370**	**145,624**	**72,213**	**138,552**

The sales revenues of Makarony Polskie SA Company in the first half 2024 amounted to PLN 145.6 m and were by approx. PLN 7 m higher than in the corresponding period of 2023.

The increase in sales was mainly due to the merger with SAS Ltd. which took place in mid-2023.

The Company's revenue in Q2 2024 amounted to PLN 68.4 million, an decrease of approximately PLN 3.8 million compared to Q2 2023.

Operating segments

In the first half of 2024, Makarony Polskie Company carried out sales according to the following product groups, achieving the following revenues on this account:

	Q2 of 2024	H1 of 2024	Q2 of 2023	H1 of 2023
Pasta	55,915	120,315	55,437	110,644
Meat and vegetable preserves	10,658	21,070	12,785	20,763
Vegetable and fruit preserves	1,199	3,155	2,029	4,198
Total	598	1,084	1,962	2,947
Total	**68,370**	**145,624**	**72,213**	**138,552**

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

Basic information about operating segments:

H1 of 2024	Pasta	Meat and vegetable preserves	Vegetable and fruit preserves	Other	Segments in total
Revenues					
Sales to external customers	120,315	21,070	3,155	1,084	145,624
Sales between segments					
Total revenues	120,315	21,070	3,155	1,084	145,624
Costs					
Segment costs	82,084	19,806	3,059	493	105,442
Profits or losses of segments (gross result on sales)	38,231	1,264	96	591	40,182

H1 of 2023	Pasta	Meat and vegetable preserves	Vegetable and fruit preserves	Other	Segments in total
Revenues					
Sales to external customers	110,644	20,763	4,198	2,947	138,552
Sales between segments					
Total revenues	110,644	20,763	4,198	2,947	138,552
Costs					
Segment costs	82,731	18,863	4,081	2,502	108,177
Profits or losses of segments (gross result on sales)	27,913	1,900	117	445	30,375

Sales revenue of Makarony Polskie in 1H 2024 amounted to PLN 145.6 million and was higher by approximately 5.1% compared to 1H 2023 (an increase of approximately PLN 7 million).

Revenue from sales in the pasta category in H1 2024 increased by approximately PLN 9.7 million to approximately PLN 120.3 million. The increase in sales of approximately 8.7% was mainly due to the merger with SAS Ltd. which took place in mid-2023.

When comparing the first half of 2024 to the corresponding period in 2023, the gross sales result in the pasta segment increased by approx. PLN 8.7 m, i.e. approx. 37%.

The Company's sales in the processed meat and vegetable segment increased in the analysed period by approximately PLN 0.3 million to approximately PLN 21.1 million (an increase of

approximately 1.5%) compared with the same period in 2023. The gross sales result decreased by approximately 33.5%.

Sales of the vegetable and fruit preserves category amounted to approximately PLN 3.2 million in H1 2024. The decrease of approximately 24.8% compared to the same period in 2023 was due to a reduction in the number of indexes produced, including a reduction in the jam category by reducing production to existing customers.

Q2 of 2024	Pasta	Meat and vegetable preserves	Vegetable and fruit preserves	Other	Segments in total
Revenues					
Sales to external customers	55,915	10,658	1,199	598	68,370
Sales between segments					
Total revenues	55,915	10,658	1,199	598	68,370
Costs					
Segment costs	38,210	10,152	1,162	283	49,807
Profits or losses of segments (gross result on sales)	17,705	506	37	315	18,563

Q2 of 2023	Pasta	Meat and vegetable preserves	Vegetable and fruit preserves	Other	Segments in total
Revenues					
Sales to external customers	55,437	12,785	2,029	1,962	72,213
Sales between segments					
Total revenues	55,437	12,785	2,029	1,962	72,213
Costs					
Segment costs	40,576	11,560	1,976	1,656	55,768
Profits or losses of segments (gross result on sales)	14,861	1,225	53	306	16,445

Sales revenue of Makarony Polskie S.A. in 2Q 2024 amounted to PLN 68.4 million and was lower by approximately 5.3% compared to 2Q 2023.

Sales revenue in the pasta category in 2Q 2024 increased by approximately PLN 0.5 million to approximately PLN 55.9 million (an increase of approximately 0.9%). The gross sales result in this period increased by approximately PLN 2.8 million, i.e. approximately 19.1 %.

The company's sales in the processed meat and vegetable segment decreased in the analysed period by approximately PLN 2.1 million to approximately PLN 10.7 million (an decrease of approximately 16.6%) compared with the same period in 2023. The gross result on sales decreased by approximately PLN 0.7 million, i.e. approximately 58.7%.

Sales of the vegetable and fruit preserves category amounted to approximately PLN 1.2 million in the analysed period.

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

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

For the period	Q2 of 2024	H1 of 2024	Q2 of 2023	H1 of 2023
Country	62,777	135,723	66,912	129,757
Exports, including:	5,593	9,901	5,301	8,795
- European Union countries	3,143	5,985	3,181	5,206
- other countries	2,450	3,916	2,120	3,589
Total	**68,370**	**145,624**	**72,213**	**138,552**

In H1 2024, the value of sales amounted to approximately PLN 135.7 million on the domestic market and approximately PLN 9.9 million in exports. In the corresponding period of 2023, these volumes amounted to approximately PLN 129.8 million and approximately PLN 8.8 million respectively.

In Q2 2024, the value of sales amounted to approximately PLN 62.8 million on the domestic market and approximately PLN 5.6 million in exports. In the corresponding period of 2023, these volumes amounted to approximately PLN 66.9 million and approximately PLN 5.3 million respectively.

The decrease in sales in Q2 2024 compared to the same period in 2023 is due to the market decline in the level of selling prices for food products.

Other operating income and expenses

OTHER REVENUES

For the period	Q2 of 2024	H1 of 2024	Q2 of 2023	H1 of 2023
State subsidies	551	1,103	789	1,107
Profit on sale of tangible fixed assets	160	222	5	5
Surplus inventories	46	46	0	0
Reversal of impairment losses on receivables	0	0	0	0
Sale of scrap and waste	3	6	4	6

Compensation and complaints	44	48	4	19
Reimbursement of social security contributions	0	1	0	0
Refund of court and bailiff fees	1	1	0	0
Total	3	3	3	4
Total	**808**	**1,430**	**805**	**1,141**

Other revenues include revenues and profits not directly related to the Company's operating activities. This category includes received subsidies, profits from the sale of tangible fixed assets, received compensations related to the reimbursement of court costs, overpaid tax liabilities, except for corporate income tax, and received compensations for losses in the companies' property covered by insurance.

Other revenues also include the reversal of write-downs on receivables and inventories as well as the reversal of impairment losses on assets.

OTHER COSTS

For the period	Q2 of 2024	H1 of 2024	Q2 of 2023	H1 of 2023
Creation of provisions	0	0	0	0
Write-down of receivables	0	0	0	0
Write-downs of inventories	0	267	834	1,093
Donations	21	21	6	7
Contractual penalties	40	41	1	4
R&D costs	627	1,190	586	1,011
Litigation costs	0	5	0	0
Sponsoring	112	142	72	72
Liquidation of damaged and expired inventories	39	93	10	161
Total	4	4	0	15
Total	**843**	**1,763**	**1,509**	**2,363**

Other costs include costs and losses not directly related to the Company's operating activities. This category includes losses on the sale of tangible fixed assets, donations made in kind and in cash to other entities, including public benefit entities, and the effects resulting from concluded commercial agreements, guarantees and sureties granted to other entities.

Other costs also include the costs of write-downs on the value of assets, not culpable shortages in current assets and losses due to the liquidation of damaged and overdue inventories.

Other financial income and expenses

FINANCIAL INCOMES

For the period	Q2 of 2024	H1 of 2024	Q2 of 2023	H1 of 2023
Interest income, including:	341	565	91	129
- interest on loans	0	0	35	69
- interest on bank deposits	341	563	56	56
- interest on other receivables	0	2	0	4
Profits on exchange differences	8	24	130	130
Profit on disposal of investments - shares 0	0	0	0	0
Total	0	0	0	0
Total	**349**	**589**	**221**	**259**

Financial revenues include revenues from received dividends, obtained and accrued interest on late payment of receivables, interest on investment activities in various forms of financial instruments. Financial activities also include foreign exchange profits.

FINANCIAL COSTS

For the period	Q2 of 2024	H1 of 2024	Q2 of 2023	H1 of 2023
Interest costs, including those relating to:	305	623	390	909
- bank loans	172	337	323	656
- factoring and leasing costs	57	84	48	168
- costs on liabilities	1	2	0	0
- IFRS-16 interest costs	75	200	19	85
- other	0	0	0	0
Other financial costs, including:	43	88	52	97
- loss due to negative exchange rate differences	0	0	0	0
- commissions, guarantee	0	0	0	0
- discount costs 0	0	0	0	0
- other financial costs	43	88	52	97
Total	**348**	**711**	**442**	**1,006**

Financial costs include costs due to the use of external financing sources, i.e.: loans, borrowings, trade liabilities, financial lease agreements to which the Company is a party and other financial costs. Financial activities also include foreign exchange losses.

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

For the period	H1 of 2024	H1 of 2023

Net profit/loss per share	1.25	0.69
Book value per share in PLN (according to data as of 30.09.2024 and data as of 31.12.2023)	13.36	12.87

For the period	H1 of 2024	H1 of 2023
Net profit/loss from continuing operations attributable to shareholders of the parent company	13,757	7,672
Profit/loss on discontinued operations attributable to shareholders of the parent company		
Net profit/loss attributable to shareholders of the parent company	13,757	7,672
Net profit/loss attributable to ordinary shareholders applied to calculate diluted profit/loss per share	not applicable	not applicable

For the period	H1 of 2024	H1 of 2023
Weighted average number of issued ordinary shares applied to calculate basic earnings/loss per share	11,040,071	11,040,071
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 weighed number of issued common shares present in the period.

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

In the first half of 2024, 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.

Long-term financial assets

Other long-term financial assets	30/06/2024	31/12/2023
Shares in Stoczek Natura Sp. z o.o.	28,578	28,578
Shares in MP Trade Sp. z. o. o.	1,502	1,502
Total long-term financial assets	30,080	30,080

Information on changes in estimates related to the separate financial statements

CHANGES DUE TO PROVISIONS

H1 of 2024	As at 01.01.2024	Creation	Use and release	As at the end of the period
For retirement and similar benefits, including:	3,244	1,137	672	3,709
a) long-term	999	0	61	938
b) short-term	2,245	1,137	611	2,771
Other provisions, including: 0	652	1,767	70	2,349
b) other	652	1,767	70	2,349
Total	**3,896**	**2,904**	**742**	**6,058**

2023	Balance at the beginning of the period	Acquired as part of the merger	Creation	Use and release	As at the end of the period
For retirement and similar benefits, including:	1,904	352	1,486	498	3,244
a) long-term	340	110	549	0	999
b) short-term	1,564	242	937	498	2,245
Other provisions, including: 0	0	0	652	0	652
a) provision for the audit of the financial statements 0	0	0	0	0	0
b) other	0	0	652	0	652
Total	**1,904**	**352**	**2,138**	**498**	**3,896**

The Company pays 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

H1 of 2024	As at 01.01.2024	Creation	Use and release	As at the end of the period
Asset for deferred income tax	922	648	262	1,308
Provision for deferred income tax	4,811	51	429	4,433
Asset/Provision after compensation				3,125

2023	As at 01.01.2023	As of 26.06.2023 - connection	Creation	Use and release	As at the end of the period
Asset for deferred income tax	584	67	588	317	922
Provision for deferred income tax	2,797	2,735	39	760	4,811
Asset/Provision after compensation					3,889

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 Company is subject to general regulations in this area. The Company is not a tax Group, as well as does not operate in a special economic zone, which would differentiate the rules for determining tax charges in relation to general provisions in this respect. The tax year and the balance sheet year coincide with the calendar year. Makarony Polskie SA has chosen a simplified form of paying monthly advances on corporate income tax. As at 30 June 2024, a provision for deferred tax of PLN 2,593 thousand was recognised as the difference between the prepayments shown in the statement of comprehensive income and the actual tax resulting from the calculated tax base shown in the statement of financial position as a corporate tax liability which was presented in the statement of financial position as an income tax liability.

WRITE-DOWNS ON ASSETS

H1 of 2024	As at 01.01.2024	Creation	Use and release	As at the end of the period
Write-downs of receivables	204	0	0	204
Write-downs of inventories	829	267	0	1,096
Write-downs of tangible fixed assets 0	0	0	0	0
Write-downs of intangible assets	3,928	0	0	3,928

2023	Status as at 01.01.2023	Creation	Use and release	As at the end of the period
Write-downs of receivables	222	73	91	204
Write-downs of inventories	188	829	188	829
Write-downs of tangible fixed assets 0	0	0	0	0

Write-downs of intangible assets	0	3,928	0	3,928

During the first half of 2022, there were premises for a write-down of inventories and trade receivables in the amount of PLN 308 k. During H1 2024, there were indications of an inventory write-down of PLN 267 thousand.

Long-term and short-term financial liabilities

BANK LOAN LIABILITIES

	As at 30.06.2024	As at 31.12.2023
up to 1 year	3,316	3,019
More than one year	7,183	8,691
Total	10,499	11,710

LIABILITIES FROM FINANCE LEASING CONTRACTS

	Total present value of minimum fees	
	as at 30.06.2024	as at 31.12.2023
up to 1 year	959	357
within 1 to 5 years	1,479	500
Total	2,438	857

LIABILITIES FROM LEASING CONTRACTS - IFRS-16

	Total present value of minimum fees	
	as at 30.06.2024	as at 31.12.2023
up to 1 year - lease	1,260	1,147
up to 1 year – Perpetual usufruct right to land	4	4
within 1 to 5 years - lease	3,795	4,229
in the period over one year - Perpetual usufruct right to land	1,403	1,187
Total	6,462	6,567

As at 30 June 2024, the company has fixed assets used under lease agreements. As at 30 June 2024, the carrying amount of tangible assets under lease of premises, the right of perpetual usufruct of land and machinery and vehicles was PLN 9,580 k including PLN 5,006 k under lease of premises, PLN 1,337 k under perpetual usufruct of land, and PLN 3,237 k under machinery and vehicles.

OTHER FINANCIAL LIABILITIES - HEDGE ACCOUNTING

The Company 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. In the reporting period, the company did not use an interest rate hedging instrument.

Remuneration of members of the Management Board and Supervisory Board of parent company

The total value of remuneration paid to members of the Management Board of Makarony Polskie SA in the first half of 2024 was PLN 769 k, in the same period of 2023 it was the amount of PLN 822 k.

Remuneration of the members of the Supervisory Board of Makarony Polskie SA in the first half of 2024 amounted to PLN 82 k, in the same period of 2023 it was the amount of PLN 89 k.

Members of the Management Board and Supervisory Board of Makarony Polskie SA did not receive any remuneration from subsidiaries.

The Company did not grant any loans to members of the Management Board and Supervisory Board of Makarony Polskie SA.

Settlement between affiliates

During the first half of 2024, Makarony Polskie SA did not conclude any significant transactions under the terms other than market terms.

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

Affiliate	Sales to affiliates- comprehensive income		Purchases from affiliates	
	For the period from 01.01 to 30.06.2024	For the period from 01.01 to 30.06.2023	For the period from 01.01 to 30.06.2024	For the period from 01.01 to 30.06.2023
Parent company - Makarony Polskie S.A.	525	810	26,176	29,755
- from/to Stoczek Sp. z o.o.	517	211	23,276	23,009
- from/to MP Trade Sp. z.o.o.	8	22	2,900	2,685
- from/to PPH „SAS" Sp. z o.o.	0	577	0	4,061

Affiliate	Receivables from affiliates		Liabilities towards affiliates	
	As at 30/06/2024	As at 30.06.2023	As at 30.06.2024	As at 30.06.2023
Parent company - Makarony Polskie S.A.	274	81	6,651	10,472
- from/to Stoczek Sp. z o.o.	272	79	5,946	9,835
- from/to MP Trade Sp. z.o.o.	2	2	705	637
- from/to PPH „SAS" Sp. z o.o.	0	0	0	0

Information on planned share issues

During the first half of 2024 and until the date of publication of these statements, the Company did not issue any shares.

Agreements and events material for the Company's operations

Agreements and events significant for the Company's operations are described in detail in the condensed consolidated financial statements of the Makarony Polskie Group.

Information on credits and loans taken out by the Company

LOANS CONTRACTED, INCLUDING THEIR MATURITY DATES

	As at 30.06.2024	As at 31.12.2023
up to 1 year	3,316	3,019
more than one year	7,183	8,691
Total	10,499	11,710

Loan agreements concluded by Makarony Polskie SA as at 30 June 2024 are described in detail in the condensed consolidated financial statements of the Makarony Polskie Group.

INFORMATION ON LOANS GRANTED

During H1 2024, Makarony Polskie SA did not grant any loans to its subsidiaries.

Guarantees and sureties

Information on guarantees and sureties granted and received by Makarony Polskie SA as at 30 June 2024 has been described in detail in the condensed consolidated financial statements of the Makarony Polskie Group.

Off-balance items

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

(in PLN k)*	30 June 2024	31 December 2023
1. Contingent assets	**991**	**1,148**
- received guarantees and sureties	769	926
- collaterals on assets	0	0
- promissory notes	222	222
2. Contingent liabilities	**57,006**	**82,479**
- for provided guarantees and warranties	0	0
- collaterals on property	51,186	68,682
- promissory note obligations	5,820	13,797
Total off-balance items	**-56,015**	**-81,331**

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.

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

In the reporting period presented before, no material proceedings regarding liabilities and debts of Makarony Polskie S.A. Company were pending before a court, competent arbitration authority or public administration body.

Other material events and transactions

In the first half of 2024, there were no material events or transactions other than those described that required disclosure in these separate financial statements.

Material events and transactions after the balance sheet date that may affect the Company's future liabilities and financial results.

There were no events after the balance sheet date that could significantly affect the financial results.

In September 2024, Makarony Polskie S.A. commenced the repurchase of treasury shares described in detail in this report, carried out within the limits and based on the authorisation granted to the Management Board of the Company by the Ordinary General Meeting of Makarony Polskie S.A. by Resolution No. 26 of 24 June 2024 on authorising the Management Board of the Company to purchase treasury shares and based on the Regulations of the Issuer's Equity Share Repurchase Programme adopted and published by the Management Board of the Company on 9 September 2024.

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Grażyna Kozielec
Chief Accountant

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Zenon Daniłowski
President of the Board

Rzeszów, 26 September 2024