Makarony Polskie

- SPÓŁKA AKCYJNA -

Condensed financial statements of Makarony Polskie Group for the period from 01 January to 30 September 2023



Rzeszów, 16 November 2023

Table of Contents

Condensed Consolidated Financial Statements

Table of Contents i
General information 5
Organizational structure of the Makarony Polskie Group 5
Changes in the organization of the Makarony Polskie Group in the reporting period 6
STOCZEK NATURA SP. Z O.O. 7
Employment in the Makarony Polskie Group 8
Composition of the Parent Company's Management Board 9
Composition of the Parent Company's Supervisory Board 10
General Meeting of the Parent Company 11
Composition of the Management Board of subsidiaries 12
Publication and approval of the financial statements 13
Legal basis for preparation of consolidated financial statements 14
Declaration of compliance and the basis for preparing the statements 14
Basis for valuation 14
Functional and presentation currency 14
Accounting principles applied and the basis for preparing the statements 14
Consolidated entities: 15
Explanations regarding seasonality or cyclicality in relation to the Group's interim operations 15
Changes to the rules for preparing financial statements 15
Acounting principles applied 19
Uncertainty of estimates 19
Going Concern 20
Factors and risks with a significant impact on financial performance in the reporting period and subsequent periods 20
Events affecting assets, liabilities, equity, net result or cash flow statement that are unusual due to their nature, size or frequency The impact of the COVID-19 pandemic on the operations of Makarony Polskie S.A. 23
Position of the Management Board regarding the publication of the Group's results forecasts 24
Risks and threats significant for the development of the Group 25

Table of Contents

Selected financial data Makarony Polskie Group 32
Condensed consolidated statements of comprehensive revenues 33
Condensed consolidated statement of financial position 34
Condensed consolidated statement of cash flows 36
Condensed consolidated statement of changes in equity 37
Additional notes 38

- Revenues from sale of products, services, goods and materials by business segments 38
- Operating segments 38
- Revenues from sale of products, services, goods and materials - geographical structure 41
- Other operating income and expenses 42
- Other financial income and expenses 43
- Data regarding the financial result and shares that were used to calculate basic and diluted earnings per share 44
- Core capital 45
- Information on changes in estimates related to the consolidated financial statements 46
- Long-term and short-term financial liabilities 48
- Dividends paid and proposed for payment 49
- Remuneration of members of the Management Board and Supervisory Board of parent unit 50
- Settlement between affiliates and subsidiaries 50
- Information on planned share issues 51
- Authorisation for the Management Board to purchase own shares of Makarony Polskie S.A. 51
- Agreements material for the Group's operations 52
- Information on concluded and terminated loan and factoring agreements 53
- Sureties and guarantees 58
- Off-balance items 60
- Material proceedings pending before a court or an authority competent for arbitration or a public administration authority 61
- Other material events and transactions 61
- Material events and transactions after the balance sheet date that may affect the Group's future financial results. 61

Table of Contents

Selected financial data of Makarony Polskie SA 63
Condensed statement of comprehensive income of Makarony Polskie S.A. 64
Condensed statements of the financial position of Makarony Polskie SA 65
Condensed Statement of Cash Flows of Makarony Polskie S.A. 67
Condensed statement of changes in equity of Makarony Polskie SA 68
Additional notes.....69
Revenues from sale of products, services, goods and materials by business segments.....69
Operating segments 69
Other operating income and expenses.....70
Other financial income and expenses.....71
Other significant events and transactions impacting the company's revenue and separate result after Q3 2023.....72
Other material events and transactions.....73
Material events and transactions after the balance sheet date that may affect the Company's future liabilities and financial results. 73

Makarony Polskie
- SPÓŁKA AKCYJNA -

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY TO 30 SEPTEMBER

Grupa Makarony Polskie
16 November 2023

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 The Company offers pasta in many different shapes, made on the basis of durum flour and wheat flour. In its portfolio, the Company also has products that respond to the trends of pro-health food, such as pasta from spelled, buckwheat, rye flours. The 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 SoFood 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 H1 2023, the Makarony Polskie SA Group also included the subsidiary SAS Sp. z o.o. (formerly: Przedsiębiorstwo Produkcyjno-Handlowe "SAS" Andrzej Świderski Sp. z o.o., on 2 January 2023 a change of company name was registered in the KRS). A company whose object was the production of a wide range of pasta, manufactured using rolled and pressed technology, including "nests". Makarony Polskie SA held 100% of the shares of SAS Sp. z o.o.

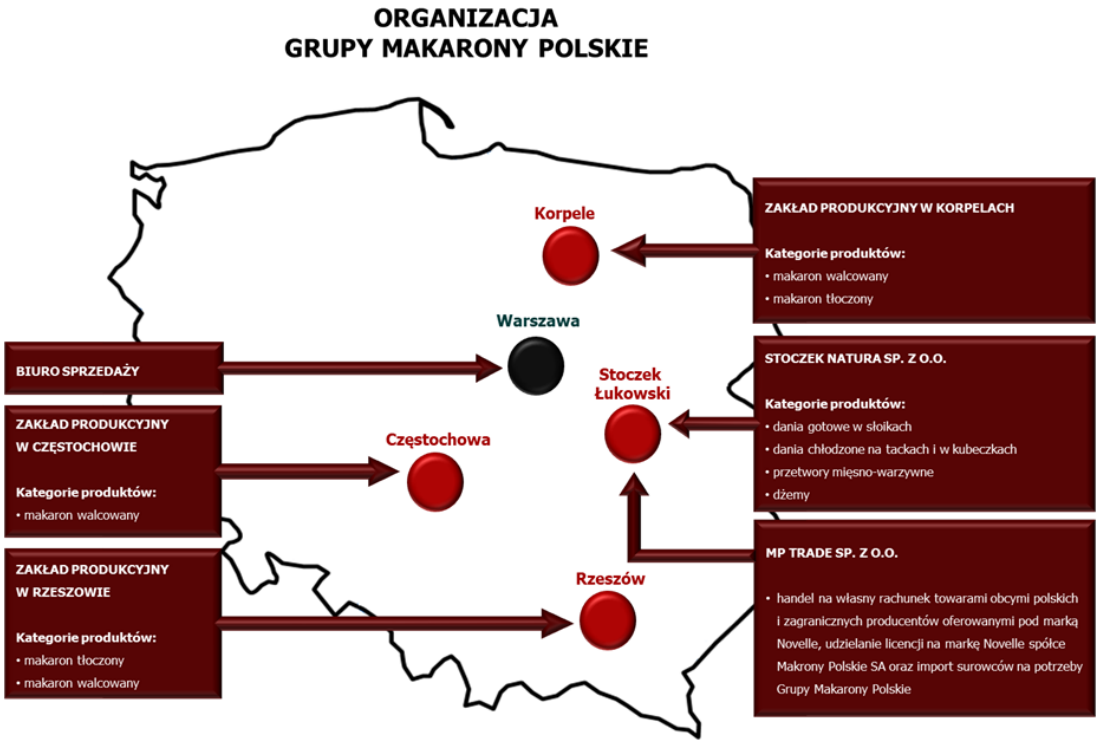
On 26 June 2023, the District Court in Rzeszów, 12th Economic Division of the National Court Register registered the merger of Makarony Polskie S.A. (as the acquiring company), with its subsidiary SAS Sp. z o.o. (as the acquired company).

The merger of the Companies took place based on art. 492 §1 item 1) of the KSH, by transferring all assets of the acquired company (SAS Sp. z o.o.) to the acquiring company (Makarony Polskie SA) - merger by acquisition. Pursuant to Article 514 of the KSH, the merger was made without increasing the share capital of the acquiring company, i.e. Makarony Polskie SA. As a result of the merger, the acquired company (SAS Sp. z o.o.) was dissolved without conducting liquidation proceedings and deleted from the register of companies of the National Court Register, according to art. 493 §1 of the KSH.

Economic considerations, among others, were in favour of the merger. As a result of the merger, it will be possible to:

- reduce of operating costs generated by simultaneous maintenance of two companies - Makarony Polskie S.A. and SAS Sp. z o.o., when the scope of business activities of both entities was the same or very similar and consisted mainly in pasta production,
- achieve the synergy,
- improve the corporate governance of SAS Sp. z o.o.'s assets,
- reduce the costs as a result of the merger of two companies
- integrate the operational processess of both companies.

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



STOCZEK NATURA SP. Z O.O.

Makarony Polskie SA

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

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

KRS number 0000212001,

Share Capital: PLN 33,120,213 – 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.

The 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.

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.

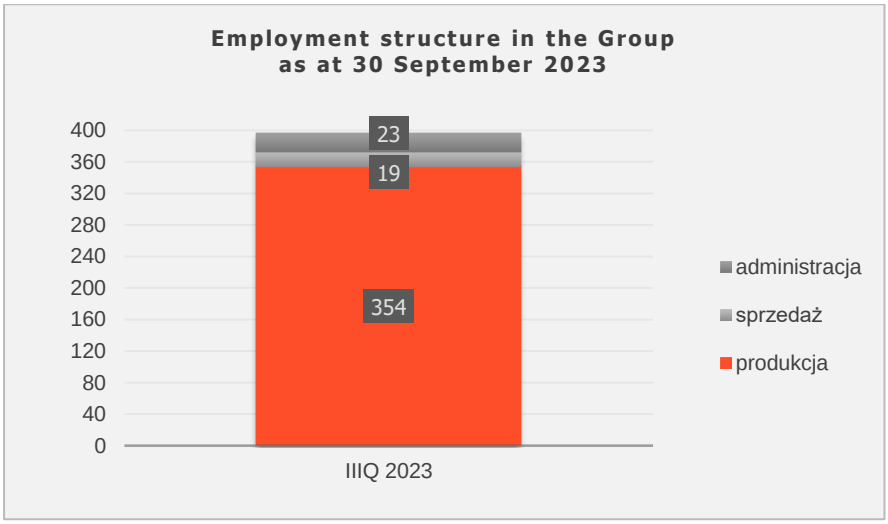
100% of the shares in the share capital of Stoczek Natura Sp. z o.o. and MP Trade Sp. z o.o. are held by Makarony Polskie SA. The parent company's share in the total number of votes at the Shareholders' Meetings of these companies, is equal to the Company's share in the capital of each subsidiary.

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 September 2023 in the Makarony Polskie Group totalled 396 persons (vs. 404 persons at the end of Q3 2022).



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

As at 30 September 2023 and the date of this report, the Company's Board of Directors is composed of one person. 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	Q3 2023		2022	
	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 2022 as at the report publication date is 3,641,594 shares with a value of PLN 10,924,782 and has not changed compared to the shares held as at the date of publication of the interim report for the reporting year 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

On 30 September 2023 and on the date of submission of this report, the Supervisory Board is 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.

Audit Committee

As at 30 September 2023 and at the date of this report, the Company has an Audit Committee of the Supervisory Board consisting 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).

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

Shares held by members of the Supervisory Board

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

Member of the Supervisory Board	Q3 2023		2022	
	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	26,782	80,346	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.

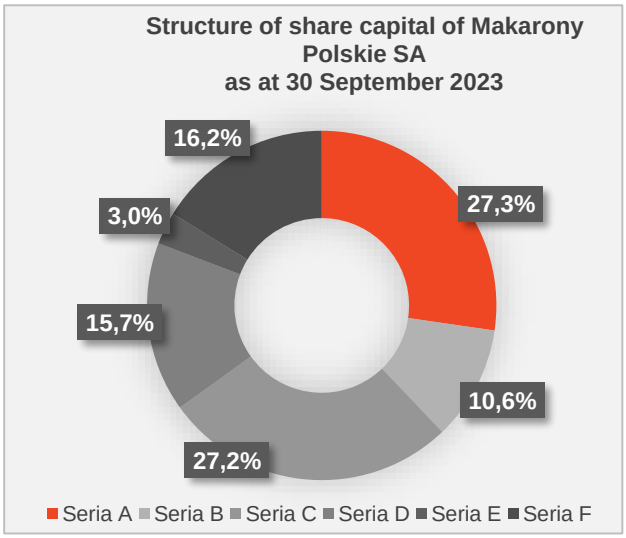
General Meeting of the Parent Company

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%*
Z.P.H. „ELPAST" Elżbieta i Grzegorz Słomkowscy s.c.	1,169,750	10,60%	1,169,750	10,60%
Other shareholders	2,974,021	26,94%	2,974,021	26,94%
IN TOTAL	**11,040,071**	**100,00%**	**11,040,071**	**100,00%**

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

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

Composition of the Management Board of subsidiaries

Stoczek Natura Sp. z o.o.

As at 30 September 2023 and the date of publication of these statements, the management board of the subsidiary Stoczek Natura Sp. z o.o. is 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.

On 30 September 2023 and on the date of this report, the board of directors of the subsidiary MP Trade Sp. z o.o. is 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 and separate financial data have not been reviewed by an auditor and were approved by the Board of Directors for publication on 16 November 2023.

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 on 31 December 2022.

Basis for valuation

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

Functional and presentation currency

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

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 2022 (published on 27 April 2023).

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 their financial statements in accordance with IAS/IFRS. All transactions, balances, revenues and expenses between consolidated related parties are subject to consolidation exclusions.

The duration of the Group companies is not limited.

Consolidated entities:

as at 30 September 2023	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 nine months ended 30 September 2023 are consistent with those applied in the preparation of the annual consolidated financial statements for the financial year ended 31 December 2022, 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.

- IFRS 17 Insurance contracts

  The new standard was published on 18 May 2017, and then amended on 25 June 2020 and applies to annual periods beginning on or after 1 January 2023. It is permitted to be applied earlier (provided that IFRS 15 and IFRS 9 are applied at the same time). The standard replaces the existing regulations regarding insurance contracts (IFRS 4). On 25 June 2020, IFRS 4 was also amended – in terms of extending the period of exemption for insurers from the application of IFRS Financial instruments until 1 January 2023.

- Amendments to IAS 1 – Disclosure of accounting policies and IAS 8 – Definition of estimates

  The amendments to these standards were published on 12 February 2021 and apply to the annual period beginning on or after 1 January 2023. The purpose of these amendments is to place greater emphasis on the disclosure of significant accounting estimates and to clarify the nature of differences between changes in estimates and changes in accounting policies.

- Amendment to IAS 12 Income Tax deferred tax on assets and liabilities arising from a single transaction

  The amendment to IFRS 12 was published on 07 May 2021 and applies to annual periods beginning on or after 01 January 2023. The changes clarify that the exemption for the initial recognition of deferred tax does not apply to the transactions where equal amount of negative and positive temporary differences arise at the time of initial recognition and the entities are required to recognize deferred tax on such transactions, and in doing so, clarify any doubts as to whether this exemption applies to transactions such as leasing and decommissioning liabilities.

- Amendment to IFRS 17 Insurance Contracts: First-time Adoption of IFRS 17 and IFRS 9 – Comparative Information

  The amendment to IFRS 17 was published on 09 December 2021 and applies to annual periods beginning on or after 01 January 2023. The amendment included a transitional option for comparative information on financial assets presented on initial application of IFRS 17. The purpose of the amendment is to help the entities to avoid temporary accounting mismatches between financial assets and insurance contract liabilities.

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 2022 and for the period of 9 months ended 30 September 2023.

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;

- 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 will apply the amended standard not sooner than from 01 January 2024. As 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 liability in sale and leaseback transactions 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 will apply the amendments to the standard from 1 January 2024. As at the date of these statements, it is not possible to reliably estimate the impact of applying the amended standard

- Amendments to IAS 12 Income Taxes: International Tax Reform - Model Rules Pillar II (Global Minimum Tax) published on 23 May 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. Companies can apply the exemption immediately, but disclosure requirements are required for annual periods beginning on or after 1 January 2023.

  The Group will apply the change in the standard in accordance with the date of first application adopted by the EU. As at the date of these statements, it is not possible to reliably estimate the impact of applying the new standard.

- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Financing Arrangements 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 requirements already included in IFRSs 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 will apply the change in the standard in accordance with the date of first application adopted by the EU. As at the date of these statements, it is not possible to reliably estimate the impact of applying the new standard.

- 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 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:

- Amendment to IAS 1 Presentation of Financial Statements: Classification of liabilities as current and non-current published on 23 January 2020, as later amended,
- Amendment to IFRS 16: Lease Lease liability in sale and leaseback transactions published on 22 September 2022.,
- Amendments to IAS 12 Income Taxes: International Tax Reform - Model Rules Pillar II (Global Minimum Tax) published on 23 May 2023.,
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Financing Arrangements published on 25 May 2023.
- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Non-convertibility of Currency issued on 15 August 2023.

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

Acounting principles applied

For the preparation of these condensed interim consolidated financial statements, accounting policies were applied to the extent unchanged from those used in the preparation of the 2022 annual consolidated financial statements.

Other new standards and interpretations that came into force in 2023 did not have a material impact on the accounting policies applied by the Group.

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 31.12.2022, the Group prepared tests for impairment of the assets of the companies in the Makarony Polskie Group as well as an impairment test at the level of the entire 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 30.09.2023, the Company analysed potential premises resulting in the need to prepare new impairment tests for the indicated assets. 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 31.12.2023.

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. Group did not conduct operations which were discontinued in the first Q3 of 2023.

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,
- activities aimed at cost and process optimization, e.g. implementation of MES software in the production plants will allow for better control of cost and labor intensity of the products and improvement of production-related accounts, while WMS software relating to warehouses will improve warehouse management and the system of stock aging and product flow control,
- at Makarony Polskie SA, an interdisciplinary team was established, which, in cooperation with scientific institutions, works on developing and implementing innovative technologies for the production of new products: functional, health-promoting, low-processed food, easy to prepare,
- The further systematic development of the SoFood brand's range of ready meals in trays and bowls, in close connection with market trends and the upward trend of this segment, is a good proxy for sales growth in future periods,
- in all the Group's plants, by the end of 2023, it is planned to complete investments in photovoltaics - pasta and ready meals production processes are characterised by high energy intensity of production, investments in "green energy" will allow the Group, on the one hand, to take care of the environment and reduce its carbon footprint, and on the other hand, to reduce the cost intensity of production resulting from increases in electricity prices.

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

- On 26 June 2023, the District Court in Rzeszów, 12th Economic Division of the National Court Register registered the merger of Makarony Polskie S.A. (as the acquiring company), with its subsidiary SAS Sp. z o.o. (as the acquired company), in accordance with the earlier resolutions of the General Meeting of Makarony Polskie S.A. and the Meeting of Shareholders of SAS Sp. z o.o. concerning the merger of the companies and the merger plan, which was agreed upon and signed by the Management Boards of both companies on 31 August 2022,
- The merger of the companies is supported by, among other things, economic conditions. As a result of the merger, it will be possible to:
  - reduce the operating costs generated by the simultaneous maintenance of two companies, when the scope of business activities of both entities was the same or very similar and mainly concerned pasta production,
  - achieve the synergy,
  - reduce the costs as a result of the merger of two companies
  - integrate the operational processess of both companies.

Activity development in the private label segment

- diversifying and enriching the offer addressed to new and existing customers with pro-health and functional products 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.

Development of B2B sales channels and Institutions

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

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

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

Export development

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

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

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

The impact of the COVID-19 pandemic on the operations of Makarony Polskie Group

The impact of the Covid-19 pandemic on the business and financial performance of the Makarony Polskie Group in Q3 2023 was insignificant.

There were no risks in the Group that would prevent the Group from settling its liabilities, there were no problems with the repayment of receivables by contractors (no changes in the collection of receivables were identified), there was no increase in the risks in the valuation and backlog of inventories, and there were no risks of failure to meet financial covenants in loan agreements in connection with the Covid-19 pandemic.

The state of epidemic emergency introduced in connection with SARS-CoV-2 virus infections in Poland was revoked by a decree of the Minister of Health as of 1 July 2023.

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:

- price increases of energy, gas and fossil fuels due to the global situation (the ongoing "energy crisis"),
- absence among the staff – the war outbreak have caused many Ukrainians (both men and women) who were working in Poland to decide to return to their homeland – to the front or to their families left behind. It was a challenge for companies to find a replacement for them in a short time. Currently, the risk has been partially mitigated by the Polish government's decision to allow the Ukrainian refugees to enter the Polish labor market,
- pressure from the business environment forced the Group to renegotiate contracts and change the method of setting prices for customers - since the outbreak of the war in Ukraine, the Group's companies adopted a strategy of setting prices in short-term periods (in 2022, these were monthly periods, in the first half of 2023 - periods of 2-3 months, from the fourth quarter of 2023 - a maximum of six months, with the possibility of maintaining sales prices in subsequent periods on condition of stabilisation of market prices of raw materials and packaging),
- in connection with unrestricted inflow of raw materials and materials, a ban on the import of grain and grain products, e.g. flour, from the territory of Ukraine was introduced, which closed for a certain period 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.

Immediately after the outbreak of war in Ukraine, additional procedures were implemented in the Makarony Polskie Group to secure continuity of production and reduce the risk of lack 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 Company and the Group in the area of security, financial liquidity and achieved results. In the opinion of the Management Board, the current financial situation of the Company and the Group does not threaten the continuation of the Group's operations in the next periods.

The situation in Ukraine has not 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 that has been going on for many months, it is difficult to predict the further situation in Ukraine and its impact on the situation of the Company and 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 factors, such as turbulence on the energy and gas market and inflation, have a much greater impact on the situation of the food business in Poland.

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

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

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' purchasing and eating habits, caused, for example, by the macroeconomic (inflation) or geopolitical situation (war in Ukraine, conflict in the Middle East) generating commodity instability or price increases in oil and related products. For example, the impoverishment of society as a result of a steady increase in prices and daily living costs can result in increased demand for cheaper and low-margin products, forcing producers and suppliers to compete aggressively on price.

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

Risk related to competition

All areas of Makarony Polskie Group's operations belong to highly competitive segments. There is a risk that the intensified actions of competitors, manifested mainly in the deterioration of trading conditions will affect the profitability and revenues of the Group, may affect the achievement of objectives assumed by the Group. All activities of the competitive environment are monitored and carefully analysed on an ongoing basis, which allows for quick response in the area of possible threats. The first nine months of 2023 was a period of stagnation or reduced consumption, which translated into decreases in production volumes both for the Makarony Polskie Group and the entire pasta industry. A commercial risk is the increasing pressure on producers to balance their supply capacity with demand. This may result 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'. The Group seeks to minimise this risk by diversifying its operations and developing innovative products (teams are in place to carry out R&D projects).

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 terms of contracting, the market has not returned to annual periods due to the uncertainty of costs and availability of raw materials and inputs, while pricing periods have lengthened from a monthly to a two/three month cycle compared to 2022.

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 may cause changes in the utilisation of production potentials and the flow of production and sales volumes in short-term periods on a more significant scale than was the case in the corresponding period of 2022.

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

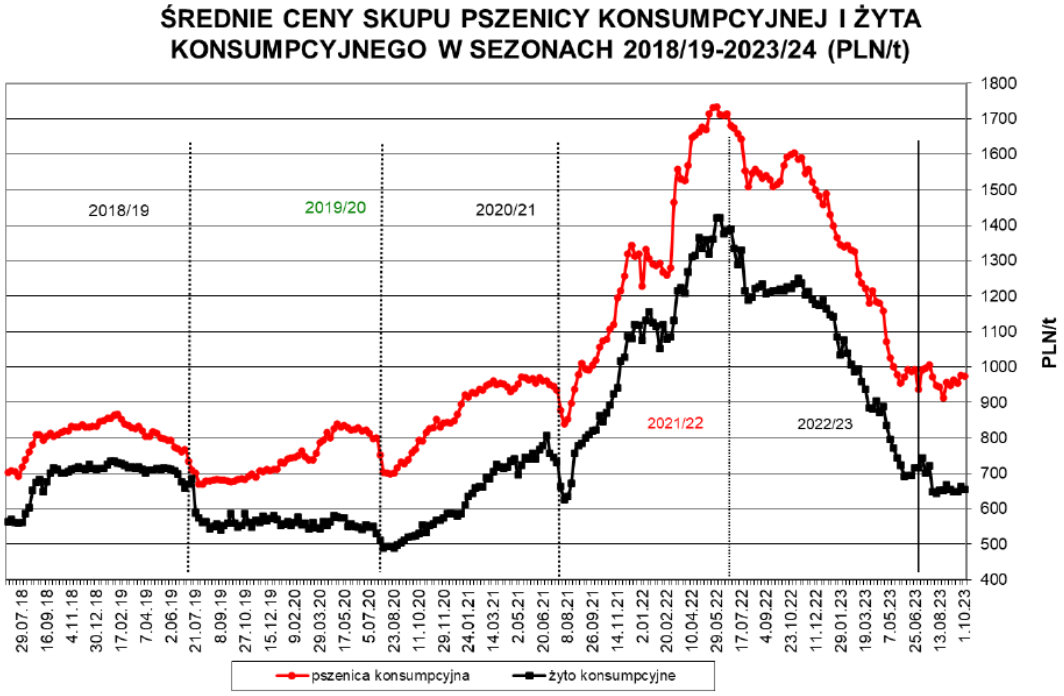
Makarony Polskie Group consistently strives to implement its strategy in the area of securing the raw material prices with long-term purchase agreements in annual and half-year periods, which helps to limit material decreases in the profitability of the pasta produced. Unfortunately, the current dynamic 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 the first and second quarters of 2023. Towards the end of the second quarter, Russia threatened not to extend the agreement with Ukraine to sell grain after 15 July 2023, which translated into gentle price increases on European markets. The Polish market is currently seeing Polish farmers stockpiling grain due to anticipated price rises. However, the situation

is being stabilised on the European market. Elements that may translate into price increases in the following periods are possible, in particular energy prices and wage costs.

Prices in the durum wheat market have remained fairly stable, albeit at high levels. At this point, it is expected that the currently functioning price level will be maintained until the end of the fourth quarter of 2023.

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



Consumer rye Source: Weekly report on the market for cereals, oilseeds and feed materials - Cereal market week 40/2023, Sparks Polska

In the first quarter of 2023, the prices of eggs and egg pulp to reach very high levels, unprecedented in the history of the trade in these raw materials. A slight calming of the market did not occur until the end of March 2023. There was a gentle downward trend in Q2 2023, which also continued during the holiday period characterised by a cyclical reduction in demand for eggs. However, the third quarter again saw an increase in egg consumption and thus an increase in prices. The situation in subsequent periods will be influenced by factors such as the dynamics of the spread of avian influenza outbreaks, or increased demand for Polish eggs in Western European countries.

In the film and cardboard packaging market, the market remained stable in Q1-Q3 2023, recording slight price adjustments depending on the business situation of suppliers. In subsequent periods, due to cost increases (wages, fuel, etc.), an increase in the prices of film and cardboard packaging is expected.

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. Purchasing of fruit and vegetables is carried out seasonally, in the months when their prices are lowest. If necessary, the purchased raw materials are stored in company warehouses and cold stores. Stoczek Natura Sp. z o.o. is exposed to an increase in raw material prices resulting from various weather anomalies. In an effort to minimise this risk, the company maintains an extensive supplier base of key raw materials.

Meat is the main raw material influencing the prices of the company's products. In Q3 2023, high meat prices persisted, which was a challenge for the company. The company seeks to secure stocks of this raw material for several months and thus mitigate the negative impact of the 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 in the first quarter of 2023 were characterised by price stabilisation, which had a positive impact on the company's assumed sales margins.

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

Risk of variable legal and tax environment

The Polish legal and tax system is characterised by frequent changes, with legal regulations being significantly altered basically from day to day (e.g. during the COVID-19 outbreak, after the introduction of the Polish Order, after the outbreak of the war in Ukraine, or in connection with the upcoming elections and the ongoing election campaign), which makes the activities of companies, including the companies of the Makarony Polskie Group, burdened with very high uncertainty. This is a detrimental factor for business activity which involves a lot of risk.

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

Risk 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.

Risk related to changes in exchange rates

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

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

The table presents the currency structure for given classes of financial instruments as at 30 September 2023:

Groups/categories of financial instruments	Balance sheet value as at 30.09.2023 PLN k	Currency exposure as at 30.09.2023 PLN k	EUR PLN k	USD PLN k
Financial assets				
Cash and cash equivalents	15,487	482	482	0

Trade receivables	40,232	1,850	1850	0
Financial liabilities				
Trade liabilities	30,252	4,793	4,793	

The table presents the analysis of the sensitivity of the financial result to changes in exchange rates as at 30 September 2023:

Groups/categories of financial instruments	EUR		USD	
	5%	-5%	5%	-5%
	impact on the financial result PLN k		impact on the financial result PLN k	
Financial assets				
Cash and cash equivalents	24.1	- 24.1	0.0	0.0
Trade receivables (gross)	92.5	-92.5	-	-
Financial liabilities				
Trade liabilities	-239.6	239.6	-	-

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 Q3 of 2023, the Group used external financing in the form of bank loans: working capital loans, overdrafts and investment loans.

As at 30 September 2023, the Group had a liability due to loans taken out, in the amount of PLN 17,622 k:

Currency	Interest	Loans balance	Including loans	
			Short-term	Long-term
PLN	WIBOR + bank's margin	17,622	8,177	9,445

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

The structure of financial instruments exposed to the risk of changes in interest rates as at 30 September 2023 is presented in the table below:

Groups/categories of financial instruments	Balance sheet value as at 30.09.2023 PLN k	Value at risk as at 30.09.2023 PLN k	WIBOR PLN k
Financial assets			
Cash in hand and at bank	15,487	-	-
Financial liabilities			
Bank loans	17,622	17,622	17,622
Other financial liabilities	946	946	946

The table below presents the analysis of the sensitivity of the financial result to changes in interest rates as at 30 September 2023:

Interest rate	Deviation assumptions (in percentage points) 30.09.2023		Value at risk as at 30.09.2023 PLN k	Impact on the financial result 30.09.2023 PLN k	
WIBOR	1%	-1%	17,622	- 176.2	176.2

Risk of insolvency of business partners

Risk of insolvency means the risk that the Group's contractors will default on their obligations. The Group applies the principle of making transactions with counterparties whose creditworthiness has been verified and of obtaining, if necessary, an appropriate security as a tool to mitigate the risk of financial loss arising from a breach of agreement. The Group uses financial information available to the public and its own transaction data, assessing the financial condition of its main customers.

The Group's exposure to the risk of 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 September 2023, EUR 1= PLN 4.6356; 31 December 2022, EUR 1= PLN 4.6899
- items of the statement of comprehensive income and statement of cash flows have been converted at the exchange rate being the arithmetic average of the average rates set by the National Bank of Poland effective on the last day of each month of Q1,Q2,Q3 of 2023 = PLN 4.5773 and at the end of each month of Q1, Q2, Q3 of 2022 = PLN 4,6880.

Selected financial data	30.09.2023 (in PLN k)	30.09.2022 (in PLN k)	30.09.2023 in EUR k)	30.09. 2022 in EUR k)
Net revenues from sale of products, services, goods and materials	267,019	229,256	58,335	48,903
Profit (loss) from continued operations	36,828	28,086	8,046	5,991
Gross profit (loss)	35,386	25,704	7,731	5,483
Net profit (loss) from continued operations	28,472	21,254	6,220	4,534
EBIT	36,828	28,086	8,046	5,991
EBITDA (EBIT + depreciation)	47,392	34,910	10,354	7,447
Net cash flows from operating activities	31,544	12,848	6,891	2,741
Net cash flows from investment activities	- 5,022	- 17,835	-1,097	- 3,804
Net cash flows from financial activities	-18,880	- 8,225	- 4,125	- 1,754
Total net cash flows	7,642	-13,212	1,670	- 2,818
Total assets ***	236,554	239,332	51,030	51,031
Liabilities and provisions for liabilities ***	91,697	116,418	19,781	24,823
Long-term liabilities ***	33,663	41,745	7,262	8,901
Short-term liabilities ***	58,034	74,673	12,519	15,922
Equity ***	144,857	122,914	31,249	26,208
Share capital ***	33,120	33,120	7,145	7,062
Number of shares (units)	11,040,071	11,040,071	11,040,071	11,040,071
Weighted average number of shares (in units) during the current financial year ***	11,040,071	11,040,071	11,040,071	11,040,071
Profit/loss per ordinary share (in PLN/EUR) *	2 58	1.93	0.56	0.41
Book value per one share (in PLN/EUR) **	13.12	11.13	2.83	2.37

* Net profit/loss per ordinary share = net result/weighted average number of shares in the period
** Book value per one ordinary share = equity/number of shares at a given balance sheet date
*** Comparable data regarding the statement of financial position as at 31 December 2022 Condensed statement on total revenues of Makarony Polskie SA

Condensed consolidated statements of comprehensive revenues

For the period	01.07.2023-30.09.2023	01.07.2023-30.09.2023	01.07.2022-30.09.2022	01.01.2022-30.09.2022
Net sales revenue	**84,754**	**267,019**	**81,086**	**229,256**
Revenues from sales of other products and services	84,010	262,004	79,815	223,394
Net revenues from sales of goods and materials	744	5,015	1,271	5,862
Own cost	**58,438**	**194,728**	**61,177**	**177,476**
Production costs of products and services sold	57,770	190,313	59,881	172,194
Value of goods and materials sold	668	4,415	1,296	5,282
Gross profit (loss) on sales	**26,316**	**72,291**	**19,909**	**51,780**
Costs of sales	8,362	25,773	7,312	20,766
General administrative costs	2,435	8,295	2,291	6,750
Other revenues	706	2,375	452	5,646
Other costs	770	3,770	536	1,824
Profit (loss) from continued operations	**15,455**	**36,828**	**10,222**	**28,086**
Financial incomes	- 44	326	0	7
Financial costs	468	1,768	1,177	2,389
Gross profit (loss)	**14,943**	**35,386**	**9,045**	**25,704**
Income tax	2,956	6,914	1,930	4,450
Profit (loss) from continued operations, in this attributable to:	**11,987**	**28,472**	**7,115**	**21,254**
Shareholders of the parent Company	11,987	28,472	7,115	21,254
Basic net result per share in PLN	1.09	2.58	0.64	1.93
Diluted net result per share in PLN	1.09	2.58	0.64	1.93
Other total net income/loss	0	0	0	0
Total net income, in this attributable to:	11,987	28,472	7,115	21,254
Shareholders of the parent Company	11,987	28,472	7,115	21,254
Non-controlling shares				

Condensed consolidated statement of financial position

ASSETS	30 September 2023	31.12.2022	30 September 2022
FIXED ASSETS	**139,730**	**144,181**	**150,470**
Fixed tangible assets	127,722	131,475	133,712
Fixed assets - IFRS-16	3,065	3,699	3,625
Investment real estate 603	603	603	603
47,190	2,863	2,863	5,949
Other intangible assets	5,469	5,503	6,534
Long-term financial assets	0	0	0
Assets for deferred income tax	0	3	1
Other long-term assets	8	35	46
CURRENT ASSETS	**96,824**	**95,151**	**97,253**
Inventories	32,498	44,481	42,447
Short-term receivables	48,384	42,412	39,878
Corporate income tax receivables	0	0	0
Borrowings granted	0	0	0
Cash and cash equivalents	15,487	7,828	13,144
Other short-term assets	455	430	237
ASSETS FOR SALE	**0**	**0**	**1,547**
TOTAL ASSETS	**236,554**	**239,332**	**247,723**

LIABILITIES	30 September 2023	31.12.2022	30 September 2022
EQUITY	**144,857**	**122,914**	**119,680**
Revaluation capital	33,120	33,120	33,120
Supplementary capital	60,344	53,521	53,521
Reserve capital	12,000	12,000	12,000
Revaluation capital	0	114	84
Retained profits/losses (profit/loss from previous years)	39,393	24,159	20,955
LONG-TERM LIABILITIES	**33,663**	**41,745**	**47,161**
Provision for deferred income tax	3,694	5,088	7,034
Long-term bank loans and borrowings	9,445	13,133	16,043
Other long-term financial liabilities	0	0	0
Provision for pensions and similar (long-term)	927	495	487
Revenues of future periods - long-term	16,522	19,501	20,062
Long-term financial liabilities - leasing	3,075	3,528	3,535
SHORT-TERM LIABILITIES	**58,034**	**74,673**	**80,882**
Short-term bank loans and borrowings	8,177	13,220	18,601
Other short-term financial liabilities 368	0	807	1,164
Short-term financial liabilities - leasing	984	1,364	1,364
Financial liabilities due to dividend	0	0	0
Other short-term liabilities	35,082	52,886	55,508
Corporate income tax liabilities	5,750	2,349	210
Revenues of future periods - short-term	2,591	1,555	1,584
Provision for retirement and similar benefits (short-term)	3,226	2,421	1,662

Condensed consolidated statement of financial position

Other short-term provisions	2,224	71	789
TOTAL LIABILITIES	**91,697**	**116,418**	**128,043**
TOTAL LIABILITIES	**236,554**	**239,332**	**247,723**

Condensed consolidated statement of cash flows

Makarony Polskie SA Group	01.01.2023 30.09.2023	01.01.2022- 30.09.2022
Profit/loss before tax	**35,386**	**25,704**
Adjustments by items:		
Depreciation	10,564	6,824
Profits/losses on exchange differences	-17	- 200
Interest expense and income	1,240	1,481
Profit/loss from investing activities	- 51	5
Change in provisions	3,389	1,220
Change in inventories	11,983	- 21,064
Change in receivables	- 6,556	-15,004
Change in liabilities and other assets and liabilities	- 19,574	21,588
Other adjustments	- 216	- 4,750
Total adjustments	**762**	**- 9,900**
Dividend revenues	0	0
Corporate income tax paid/reimbursed	- 4,604	- 2,956
Cash flows from net operating activities	**31,544**	**12,848**
Cash flows from investment activities		
Proceeds from the sale of fixed assets and intangible assets	65	21
Proceeds from sales of financial assets	0	0
Expenses for the acquisition of fixed tangible assets and intangible assets	- 5,391	- 5,493
Expenses for the acquisition of subsidiaries	0	-12,363
Interest income	304	0
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	**- 5,022**	**-17,835**
Cash flows from financial activities		
Proceeds from loans and borrowings	24	3,515
Proceeds from the issue of debt securities	0	0
Repayment of loans and borrowings	- 8,755	- 4,632
Payment of liabilities under financial lease agreements	- 1,174	- 1,244
Interest paid	- 1,544	- 1,481
Payment of other financial liabilities	- 807	- 1,071
Dividend paid to shareholders	- 6,624	- 3,312
Net cash flows from financial activities	**- 18,880**	**- 8,225**
Increase/decrease in cash and cash equivalents	7,642	- 13,212
Cash, cash equivalents and overdrafts at the beginning of the period	**7,828**	**26,156**
Foreign exchange gains/losses on the valuation of cash, cash equivalents and overdrafts	17	200
Cash, cash equivalents and overdrafts at the end of the period, including	**15,487**	**13,144**
with restricted availability	**0**	**4,748**

Condensed consolidated statement of changes in equity

For the period from 01 January 2023 to 30 September 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
Other comprehensive income	0	0	0	0	0	0
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 Q3 of 2023	0	0	0	0	28,472	28,472
As at 30 September 2023	33,120	60,344	12,000	0	39,393	144,857

For the period from 01 January 2022 to 31 December 2022

	Core capital	Supplementary capital	Reserve capital	Revaluation capital	Retained profit/loss	In total
Balance as at 1 January 2022	27,750	43,091	24,888	0	5,925	101,654
Distribution of profit/loss coverage	0	2,912	0	0	- 2,912	0
Profit distribution - dividend payment 0	0	0	0	0	- 3,312	- 3,312
Costs of issuing series F shares	0	0	0	0	0	0
Series F shares issue	5,370	7,518	-12,888	0	0	0
Other comprehensive income	0	0	0	0	0	0
Increase in the period	0	0	0	114	0	114
Net result in 2022	0	0	0	0	24,458	24,458
As at 31 December 2022	33,120	53,521	12,000	114	24,159	122,914

For the period from 01 January 2022 to 30 September 2022

	Core capital	Supplementary capital	Reserve capital	Revaluation capital	Retained profit/loss	In total
Balance as at 1 January 2022	27,750	43,091	24,888	0	5,925	101,654
Distribution of profit/loss coverage	0	2,912	0	0	- 2,912	0
Profit distribution - dividend payment 0	0	0	0	0	- 3,312	- 3,312
Costs of issuing series F shares	0	0	0	0	0	0
Series F shares issue	5,370	7,518	-12,888	0	0	0
Other comprehensive income	0	0	0	0	0	0
Increase in the period	0	0	0	84	0	84
Net result after Q3 of 2022	0	0	0	0	21,254	21,254
As at 30.09.2022	33,120	53,521	12,000	84	20,955	119,680

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.

	01.07.2023-30.09.2023	01.01.2023 30.09.2023	01.07.2022-30.09.2022	01.01.2022 30.09.2022
Revenues from sales of products	82,689	257,630	79,092	220,209
Revenues from the sale of services, including:	1,321	4,374	723	3,185
- service production	179	845	506	1,368
- for lease, storage	1,122	3,371	200	1,752
- other	20	158	17	65
Revenues from sale of materials	126	2,704	322	2,189
Revenues from sale of goods	618	2,311	949	3,673
Total	**84,754**	**267,019**	**81,086**	**229,256**

In the period from 1 January to 30 September 2023, the Group recorded an approximately 16% increase in sales revenue compared with the same period in 2022. Sales revenue amounted to approximately PLN 229.3 million in this period.

The Group's revenue in Q3 2023 amounted to approximately PLN 84.7 million and was approximately 5% higher than in the corresponding period in 2022.

Operating segments

In Q3 of 2023, the Makarony Polskie Group carried out sales according to the following product groups, achieving the following revenues on this account:

	01.07.2023-30.09.2023	01.01.2023-30.09.2023	01.07.2022-30.09.2022	01.01.2022-30.09.2022
Pasta	67,666	214,686	67,724	183,865
Meat and vegetable preserves	14,533	40,413	15,718	34,612
Vegetable and fruit preserves	1,800	6,024	1,603	6,219
Total	755	5,896	1,041	4,560
Total	**84,754**	**267,019**	**81,086**	**229,256**

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:

01.07.2023-30.09.2023	Pasta	Meat and vegetable preserves	Vegetable and fruit preserves	Other	Segments in total
Revenues					
Sales to external customers	214,686	40,413	6,024	5,896	267,019
Sales between segments					
Total revenues of the Group	214,686	40,413	6,024	5,896	267,019
Costs					
Segment costs	153,845	32,071	5,517	3,295	194,728
Profits or losses of segments (gross result on sales)	60,841	8,342	507	2,601	72,291

01.01.2022-30.09.2022	Pasta	Meat and vegetable preserves	Vegetable and fruit preserves	Other	Segments in total
Revenues					
Sales to external customers	183,865	34,612	6,219	4,560	229,256
Sales between segments					
Total revenues of the Group	183,865	34,612	6,219	4,560	229,256
Costs					
Segment costs	140,683	27,901	5,669	3,223	177,476
Profits or losses of segments (gross result on sales)	43,182	6,711	550	1,337	51,780

Revenues from sale of the Makarony Polskie Group in the period from 1 January to 30 September 2023 amounted to approximately PLN 267.0 million and were higher by approximately 16% compared to the same period in 2022 (by approximately PLN 37.8 million).

Revenues from sales in the pasta category in the analysed period increased by approximately PLN 30.8 million to approximately PLN 214.7 million. A leap in sales by approx. 17% was caused mainly by the following factors which occurred in the discussed period:

- synergy effects in production processes and sales teams following the acquisition of SAS Sp. z o.o.,
- price increases in the products offered forced by the shock increase in producer inflation levels resulting from the geopolitical situation.
- higher sales to institutional customers.

Comparing the first three quarters of 2023 to the same period in 2022, gross sales result in the pasta segment increased by approximately PLN 17.7 million.

The Group's sales in the processed meat and vegetable segment increased by approximately PLN 5.8 million to approximately PLN 40.4 million in the analysed period. The growth by approx. 17% was caused by:

- optimisation of the product portfolio in order to focus sales on products with greater market potential and to improve the profitability of this segment,
- higher volume sales of products in this segment and price increases of the offered products forced by a shock increase in producer inflation levels.

Comparing the first three quarters of 2023 to the corresponding period in 2022, the gross sales result in the processed meat and vegetable segment increased by approximately PLN 1.6 million.

Sales of the vegetable and fruit preserves category amounted to approximately PLN 6.0 million (a reduction of approximately PLN 0.2 million compared with the corresponding period in 2022).

01.07.2023-30.09.2023	Pasta	Meat and vegetable preserves	Vegetable and fruit preserves	Other	Segments in total
Revenues					
Sales to external customers	67,666	14,533	1,800	755	84,754
Sales between segments					
Total revenues of the Group	67,666	14,533	1,800	755	84,754
Costs					
Segment costs	45,276	11,286	1,661	215	58,438
Profits or losses of segments (gross result on sales)	22,390	3,247	139	540	26,316

01.07.2022-30.09.2022	Pasta	Meat and vegetable preserves	Vegetable and fruit preserves	Other	Segments in total
Revenues					
Sales to external customers	62,724	15,718	1,603	1,041	81,086
Sales between segments					
Total revenues of the Group	62,724	15,718	1,603	1,041	81,086
Costs					
Segment costs	46,247	12,550	1,475	905	61,177
Profits or losses of segments (gross result on sales)	16,477	3,168	128	136	19,909

The sales revenue of the Makarony Polskie Group in Q3 2023 was approximately PLN 84.8 million, up by approximately 4% from Q3 2022.

Revenues from sales in the pasta category in Q3 2023 were approximately PLN 67.7 million (up by approximately 8% from the same period in 2022), and gross profit on sales was approximately PLN 22.4 million.

The Group's sales in the processed meat and vegetable segment in Q3 2023 amounted to approximately PLN 14.5 million and decreased by approximately PLN 1.2 million (approximately 8%) compared with the corresponding period in 2022. Gross sales result in this segment increased by approximately 2% in Q3 2023 compared with the corresponding period in 2022.

Sales of the vegetable and fruit preserves category amounted to approximately PLN 1.8 million (an increase of approximately 12%) in Q3 2023 compared with the corresponding period in 2022. Gross profit on sales in this segment increased by approximately 9% in Q3 2023 compared to the corresponding period in 2022.

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	01.07.2023-30.09.2023	01.07.2023-30.09.2023	01.07.2022-30.09.2022	01.01.2022-30/09/2022
Country	79,610	251,962	74,220	202,092
Exports, including:	5,144	15,057	6,866	27,164
- European Union countries	2,333	8,657	1,816	5,852
- other countries	2,811	6,400	5,050	21,312
Total	84,754	267,019	81,086	229,256

In the period from 1 January to 30 September 2023, sales amounted to approximately PLN 252 million in the domestic market and approximately PLN 15.1 million in exports. In the corresponding period of 2022, these volumes amounted to approximately PLN 202.1 million and approximately PLN 27.2 million respectively.

In Q3 of 2023, the value of sales amounted to approximately PLN 79.6 million on the domestic market and approximately PLN 5.1 million in exports. In the corresponding period of 2022, these volumes amounted to approximately PLN 74.2 million and approximately PLN 6.9 million respectively.

The decrease in exports from 1 January to 30 September 2023 compared to the same period in 2022 is due to a decrease in export sales to eastern markets due to the war in Ukraine.

Other operating income and expenses

OTHER REVENUES

For the period	01.07.2023-30.09.2023	01.07.2023-30.09.2023	01.07.2022-30.09.2022	01.01.2022-30.09.2022
State subsidies	647	1,943	389	1,166
Profit on sale of tangible fixed assets	0	0	0	0
Reversal of impairment losses on receivables	0	0	0	0
Reversal of impairment losses on inventory	0	71	0	239
Sale of scrap and waste	13	23	3	17
Profit on occasional acquisition	0	0	0	4,103
Refund of court and bailiff fees 2	0	0	0	2
Compensation and complaints	24	37	5	59
Reimbursement of social security contributions	2	2	2	5
Purchase discounts granted		34	0	0
Accounting for R&D relief retrospectively	0	216	0	0
Surplus inventories	0	3	0	0
Total	20	46	53	55
Total	**706**	**2,375**	**452**	**5,646**

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.

At the beginning of 2022, Makarony Polskie SA finalized the acquisition of Przedsiębiorstwo Produkcyjno-Handlowe „SAS" Andrzej Świderski Sp. z o.o. with its registered office in Korpele, established as a result of transformation of the enterprise, previously run as a sole proprietorship on the basis of the entry in the Business Activity Central Register and Information Record, into a single-person limited liability company.

As a result of the finalized transaction, since 3 January 2022, the Company has become the owner of all 107,730 shares, with a total nominal value of PLN 10,773 k, in the share capital of SAS (100% of the share capital, representing 100% of the votes at the shareholders' meeting) for a total purchase price of approx. PLN 17.0 m. As at the date of taking over Przedsiębiorstwo Produkcyjno-Handlowe „SAS" Andrzej Świderski sp. z o.o. and transition to IFRS, a valuation of fixed tangible assets to fair value was carried out by an independent

expect. As a result of the transaction settlement in the Group's consolidated statements, a profit was generated on occasional purchase adjusted for share acquisition costs amounting to PLN 4,103 k. which was directly recognized as the operating revenues.

OTHER COSTS

For the period	01.07.2023-30.09.2023	01.07.2023-30.09.2023	01.07.2022-30.09.2022	01.01.2022-30.09.2022
Loss from sale of fixed tangible assets	0	20	0	5
Creation of provisions	6	6	-19	5
Write-down of receivables	0	0	0	133
Write-downs of inventories	0	1,093	0	175
Donations	4	19	7	14
Penalties and fines	8	118	29	44
Court and bailiff fees, adjudicated costs	0	8	45	66
Advertising sponsorship	12	91	4	61
Liquidation of damaged and expired inventories	228	748	120	169
R&D costs	501	1,512	371	1,160
Costs of insured repairs	18	18	0	11
Inveterate shortages	0	45	0	0
Total	- 7	92	- 21	-19
Total	**770**	**3,770**	**536**	**1,824**

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	01.07.2023-30.09.2023	01.07.2023-30.09.2023	01.07.2022-30.09.2022	01.01.2022-30.09.2022
Interest income, including:	77	322	0	7
- interest on loans and deposits	77	315	0	0
- interest on receivables	0	7	0	7

Profits on exchange differences	-121	0	0	0
Profit on disposal of investments - shares 0	0	0	0	0
Total	0	4	0	0
Total	- 44	326	0	7

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	01.07.2023-30.09.2023	01.07.2023-30.09.2023	01.07.2022-30.09.2022	01.01.2022-30.09.2022
Interest costs, including those relating to:	392	1,578	595	1,494
- bank loans	351	1,270	446	1,138
- factoring and leasing costs	18	191	122	253
- IFRS-16 interest costs	17	106	18	91
- other	6	11	9	12
Other financial costs, including:	76	190	582	895
- loss due to negative exchange rate differences	21	21	528	674
- guarantee	7	25	8	25
- discount and bank commission costs	48	144	46	112
- other financial costs	0	0	0	84
Total	**468**	**1,768**	**1,177**	**2,389**

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	01.07.2023-30.09.2023	01.01.2022-30.09.2022
Net profit/loss per share	2.58	1.93
Book value per share in PLN (according to data as of 30.09.2023 and data as of 31.12.2022)	13.12	11.13

For the period	01.07.2023-30.09.2023	01.01.2022-30.09.2022
Net profit/loss from continuing operations attributable to shareholders of the parent company	28,472	21,254
Profit/loss on discontinued operations attributable to shareholders of the parent company		
Net profit/loss attributable to shareholders of the parent company	28,472	21,254

Net profit/loss attributable to ordinary shareholders applied to calculate diluted profit/loss per share	not applicable	not applicable

For the period	H1 of 2023	H1 of 2022
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 2023, 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 September 2023 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 balance of provisions as at 30.09.2023	As at 01.01.2023	Creation	Use and release	As at the end of the period
For retirement and similar benefits, including:	2,916	1,740	503	4,153
a) long-term	495	432	0	927
b) short-term	2,421	1,308	503	3,226
Other provisions, including: 0	71	2,224	71	2,224
b) other	71	2,224	71	2,224
Total	2,987	3,964	574	6,377

2022	Balance as at 01.01.2022	Balance as at 03.01.2022 – taking control of SAS	Creation	Use and release	As at the end of the period
For retirement and similar benefits, including:	1,651	353	980	68	2,916
a) long-term	400	159	0	64	495
b) short-term	1,251	194	980	4	2,421
Other provisions, including: 0	67	0	71	67	71
b) other	67	0	71	67	71
Total	1,718	353	1,051	135	2,987

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 balance as at 30.09.2023	As at 01.01.2023	Creation	Use and release	Balance at the end of the period
Asset for deferred income tax	942	984	378	1,548
Provision for deferred income tax	6,027	35	820	5,242
Asset/Provision after compensation	5,085			3,694

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

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 2023 a deferred tax provision in the amount of PLN 5,633 k was created, as the difference between the paid advances shown in the statement of comprehensive income and the actual tax resulting from the calculated tax base.

WRITE-DOWNS ON ASSETS

Changes in balance as at 30.09.2023	As at 01.01.2023	Creation	Use and release	As at the end of the period
Write-downs of receivables	227	0	0	227
Write-downs of inventories	197	1,093	0	1,290
Write-downs of tangible fixed assets 0	1,443	0	138	1,305
Write-downs of intangible assets	4,583	0	0	4,583

Changes in Balance as at 31.12.2022	Balance as at 01.01.2022	Balance as at 03.01.2022 – taking control of SAS	Creation	Use and release	As at the end of the period
Write-downs of receivables	541	0	114	428	227

Write-downs of inventories	316	138	187	445	196
Write-downs of tangible fixed assets 0	1,356	0	152	65	1,443
Write-downs of intangible assets	3,420	0	1,163	0	4,583

The Group makes a write-down of assets. During 2023, there were indications to make a write-down of inventories, receivables and tangible fixed assets..

Long-term and short-term financial liabilities

BANK LOAN LIABILITIES

	As at 30.09.2023	As at 31.12.2022
up to 1 year	8,177	13,220
More than one year	9,445	13,133
Total	**17,622**	**26,353**

LIABILITIES FROM FINANCE LEASING CONTRACTS

	Total present value of minimum fees	
	as at 30.09.2023	as at 31.12.2022
up to 1 year	367	439
within 1 to 5 years	579	670
Total	**956**	**1,109**

As at 30 September 2023, 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 September 2023 was PLN 1 451 000.

LIABILITIES FROM LEASING CONTRACTS - IFRS-16

	Total present value of minimum fees	
	as at 30.09.2023	as at 31.12.2022
up to 1 year - lease	613	921
up to 1 year – Perpetual usufruct right to land 4	4	4
within 1 to 5 years - lease	1,309	1,666
in the period over one year - Perpetual usufruct right to land	1,187	1,192
Total	3,113	3,783

As at 30 September 2023, the Group owns fixed assets used under lease agreements. As at 30 September 2023, the carrying amount of tangible assets under lease of premises, the right

of perpetual usufruct of land and machinery and vehicles was PLN 4,516 k including PLN 1,935 thousand under lease of premises, PLN 1,130 k under perpetual usufruct of land, and PLN 1,451 k under machinery and vehicles.

SHORT-TERM FINANCIAL OBLIGATION - POLISH DEVELOPMENT FUND SUBSIDY

	as at 30.09.2023	as at 31.12.2022
up to 1 year	0	807
within 1 to 5 years	0	0
Total	**0**	**807**

Dividends paid and proposed for payment

In 2023, the Management Board of the Company decided to recommend to the Annual General Meeting that the net profit for the period from 01 January 2022 to 31 December 2022 in the amount of PLN 10,462.3 k should be divided as follows:

- to pay the shareholders a dividend of PLN 0.60 gross per share,
- the remaining part of the profit will be allocated to the Company's supplementary capital.

According to Article 382 §3 of the Commercial Companies Code, this recommendation was presented by the Management Board to the Supervisory Board for information and received a positive opinion of the Supervisory Board.

On 27 June 2023, the Annual General Meeting of Makarony Polskie SA adopted resolutions on approving the financial statements for the reporting year 2022 and net profit distribution. By decision of the General Meeting, the net profit for the period from 1 January 2022 to 31 December 2022 was distributed in accordance with the recommendation of the Management Board, i.e. as follows:

- an amount of approximately PLN 6,624.0 k was earmarked for the payment of dividends to shareholders in the gross amount of PLN 0.60 per share,
- the remainder of the profit was allocated to the Company's supplementary capital.

The dividend date was set for 14 July 2023. The dividend was paid on 21 August 2023. 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 remuneration paid to the members of the Management Board of Makarony Polskie S.A. in the period from 1 January to 30 September 2023 was PLN 1,120 k, in the corresponding period of 2022 it was PLN 873 k.

Remuneration paid to the Members of the Supervisory Board of Makarony Polskie S.A. in the period from 1 January to 30 September 2023 was PLN 121 k, in the corresponding period of 2022 it was PLN 129 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 Q3 of 2023, 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 for the period			
	01.07.2023-30.09.2023	01.07.2023-30.09.2023	01.07.2022-30.09.2022	01.01.2022-30.09.2022
Parent company - Makarony Polskie SA	128	938	317	541
to Stoczek Sp. z o.o.	125	336	200	350
to MP Trade Sp. z o. o.	3	25	4	11
PPH „SAS" Sp. z o.o.	0	577	113	180

Affiliate	Purchases from affiliates for the period of			
	01.07.2023-30.09.2023	01.07.2023-30.09.2023	01.07.2022-30.09.2022	01.01.2022-30.09.2022
Parent company - Makarony Polskie S.A.	13,676	43,431	13,630	40,298
from Stoczek Sp. z o.o.	12,993	36,002	9,924	26,913
from MP Trade Sp. z o.o.	683	3,368	502	1,709
PPH „SAS" Sp. z o.o.	0	4,061	3,204	11,676

Affiliate	Receivables from affiliates		Liabilities towards affiliates	
	As at 30/09/2023	As at 30/09/2022	as at 30.09.2023	as at 30.09.2022
Parent company - Makarony Polskie SA	114	242	8,618	3,914
from/to Stoczek Sp. o.o. 0	112	239	8,357	2,054
from/to MP Trade Sp. z.o.o.	2	2	261	372
PPH „SAS" Sp. z o.o.	0	1	0	1,488

SETTLEMENTS BETWEEN SUBSIDIARIES

Subsidiaries	Sales and purchases between subsidiaries for the period of			
	01.07.2023-30.09.2023	01.07.2023-30.09.2023	01.07.2022-30.09.2022	01.01.2022-30.09.2022
Total subsidiary	1	198	2	7
from Stoczek Sp. o.o. 0 to MP Trade Sp. z o.o.	1	3	1	3
fro MP Trade Sp. z o. o. to Stoczek Sp. z o.o.	0	195	1	4
from SAS Sp. z o.o. to Stoczek Sp. z o.o./ MP Trade Sp. z o.o.	0	0	0	0

Subsidiaries	Receivables between subsidiaries		Liabilities between subsidiaries	
	As at 30/09/2023	As at 30/09/2022	as at 30.09.2023	as at 30.09.2022
Total subsidiary	0	5	0	5
from/to Stoczek Sp. z o.o.	0	0	0	5
from/to MP Trade Sp. z.o.o.	0	5	0	0
from PPH SAS Sp. z o.o. to Stoczek Sp. z o.o./ MP Trade Sp. z o.o.	0	0	0	0

Information on 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 June 18, 2019, the General Meeting of the Company, in response to a request submitted by one of the shareholders, by Resolution No. 16, decided to authorize the Management Board of the Company to purchase ordinary bearer shares of Makarony Polskie SA, 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 quotation market.

Pursuant to the decision of the General Meeting, the Company is entitled to purchase its own shares, fully paid up, and the maximum number of own shares that the Company may acquire

is 1,850,014 shares, with the proviso that the total nominal value of the shares purchased, together with the nominal value of the remaining shares which have not been disposed of by the Company may not exceed 20% of the share capital of the Company. 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.

The payment price for one share will be from PLN 6.00 to PLN 8.52, and the total maximum amount of payment for the purchased shares will not exceed the amount of the reserve capital created for this purpose.

The date of commencement and completion of the acquisition of own shares, as well as the terms and conditions for the acquisition of own shares not specified in the General Meeting Resolution, will be announced by the Management Board to the public, pursuant to Article 56 of the Act of July 29, 2005 on public offering (...) and in accordance with the Regulation of the European Parliament and of the Council (EU) No. 596/2014 of April 16, 2014 on market abuse (...).

Under the authorization granted, the Management Board may purchase own shares only as a result of an invitation to submit offers for the sale of shares, which will be implemented through an entity conducting brokerage activities, and the minimum number of shares in each invitation may not be lower than 300,000.

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 needs of the acquisition of own shares by the Company, on the basis and within the scope of the authorization granted to the Management Board, a reserve capital of PLN 12.0 m was created. The reserve capital was created by transferring the amount of PLN 12.0 m from the Company's supplementary capital.

Agreements material for the Group's operations

During Q3 of 2023, the Group companies did not conclude any agreements that met the criteria of a significant agreement. The following agreements were concluded after the end of the reporting period:

Conclusion of banking product agreements with Bank BNP Paribas Bank Polska SA

In October 2023, the Group companies: Makarony Polskie SA and Stoczek Natura Sp. z o.o. concluded an agreement with Bank BNP Paribas Bank Polska SA (hereinafter: "the Bank") an agreement and an annex to the banking products agreement, which together met the criteria of a significant agreement, including contributing to the diversification of the Group's sources of financing.

The agreement of the highest materiality was the multi-option credit line agreement concluded by the subsidiary on 26 October 2023, which included an overdraft facility and guarantee/credit lines. The agreement specified the terms and conditions of financing during the current availability period and the amount of the main line limit of PLN 7.2 million, under which: the overdraft sub-limit is PLN 4.0 million (with repayment until 26 October 2025), the guarantee line sub-limit is PLN 3.2 million (with a maximum validity period of 36 months from the date of issuance or amendment of the guarantee). The agreement also specified a possible letter of credit sub-limit of PLN 3.0 million with a maximum term of 12 months from the date of opening or amending the letter of credit.

The provisions of the Agreement do not deviate from the terms commonly used by the Bank for this type of agreement. The interest rate on the loan was determined on the basis of WIBOR 3M plus the Bank's margin, while a commission applies to guarantees and letters of credit.

The Agreement is secured by:

- a blank bill of exchange issued by the Company together with a bill of exchange declaration,
- declaration of the Company on submitting to execution by way of a notarial deed pursuant to Art. 777 §1 item 5 of the Code of Civil Procedure,
- contractual mortgage up to the amount of PLN 10.8 million on the real estate located in Stoczek Łukowski, for which the land and mortgage register No. LU1U/00022979/2 is maintained, together with assignment of receivables under the insurance agreement for buildings/structures on the above real estate.

Information on concluded and terminated loan and factoring agreements

LONG- AND SHORT-TERM LOANS AND BORROWINGS

	30/09/2023	31.12.2022
- long-term part	9,445	13,133
- short-term part	8,177	13,220
Total	**17,622**	**26,353**

The balance of loan and factoring agreements in effect as at 30 September 2023, for which Makarony Polskie SA was a party to the agreements, is presented in the tables below:

– Overdraft in Santander Bank Polska SA

Loan terms and conditions	30 September 2023
Loan contractual value	PLN 5,000 k
Loan period	18.10.2013 – 01.06.2024
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, – surety of Stoczek Natura Sp. z o.o., – declaration on submission to enforcement made pursuant to Article 777 of the Code of Civil Procedure, in the form of a notarial deed.

– Investment loan at Santander Bank Polska SA

Loan terms and conditions	30 September 2023
Loan contractual value	PLN 13,849 k
Loan period	18.10.2013 – 30.12.2023
Interest rate	WIBOR 1M + the bank's margin that does not differ from the standards applied by the bank
Loan balance	PLN 414 k
Repayment schedule	The loan will be repaid in 49 monthly instalments in the following amounts: 48 instalments of PLN 105 k each and the last 49 equalizing instalments in the amount of PLN 204 k.
Loan collateral	– joint mortgage up to PLN 17,000 on the following real estates: a) KW No. RZ1Z/00076860/5 in Rzeszów and KW No. PL1P/00094893/6 in Płock, together with the assignment of rights under the real estate insurance policy, b) KW no. PL1P/00097530/5, KW no. PL1P/00114158/9 and KW no. PL1P/00097363/3 (on the shares held) in Płock; – registered pledge on fixed assets (production lines in the plant in Rzeszów) along with the assignment of rights under the insurance policy for the subject-matter of the pledge, – blank promissory note issued by the Company together with a promissory note declaration, – civil law surety of Stoczek Natura Sp. z o.o., – declaration on submission to enforcement made pursuant to Article 777 of the Code of Civil Procedure, in the form of a notarial deed.

– EU investment loan at Santander Bank Polska SA

Loan terms and conditions	30 September 2023
Loan contractual value	PLN 12,121 k
Loan period	07.02.2017 - 28.12.2023
Interest rate	WIBOR 3M + the bank's margin that does not differ from the standards applied by the bank
Loan balance	PLN 1,330 k
Repayment schedule	The loan will be repaid in 37 monthly installments, in the following amounts: 36 installments in the amount of PLN 50 k, 37th installment PLN 9,061 k, the received EU refinancing will reduce the balloon installment
Loan collateral	– joint mortgage up to PLN 18,200 on the following real estates: a) KW No. RZ1Z/00076860/5 in Rzeszów and KW No. PL1P/00094893/6 in Płock, together with the assignment of rights under the real estate insurance policy, b) KW no. PL1P/00097530/5, KW no. PL1P/00114158/9 and KW no. PL1P/00097363/3 (on the shares held) in Płock; – registered pledge on a semi-industrial line for trials and tests along with instrumentation, along with the assignment of rights under the insurance policy for the subject-matter of the pledge, – blank promissory note issued by the Company together with a promissory note declaration, – declaration on submission to enforcement made pursuant to Article 777 of the Code of Civil Procedure, in the form of a notarial deed.

declaration on submission to enforcement made pursuant to Article 777 of the Code of Civil Procedure, in the form of a notarial deed.

– EU investment credit at Santander Bank Polska SA

Loan terms and conditions	30 September 2023
Loan contractual value	PLN 8 000 k
Loan period	15.09.2017 - 31.12.2023
Interest rate	WIBOR 3M + the bank's margin that does not differ from the standards applied by the bank
Loan balance	PLN 145 k
Repayment schedule	The loan will be repaid in 49 principal installments, including 48 installments in the amount of PLN 33 k PLN, 49th installment in the amount of PLN 79 k.
Loan collateral	– joint mortgage up to PLN 2,500 on the following real estates: a) KW No. RZ1Z/00076860/5 in Rzeszów and KW No. PL1P/00094893/6 in Płock, together with the assignment of rights under the real estate insurance policy, b) KW no. PL1P/00097530/5, KW no. PL1P/00114158/9 and KW no. PL1P/00097363/3 (on the shares held) in Płock; – registered pledge on the technological line purchased under the grant project along with the assignment of rights under the insurance policy for the subject-matter of the pledge, – blank promissory note issued by the Company together with a promissory note declaration,

	– declaration on submission to enforcement made pursuant to Article 777 of the Code of Civil Procedure, in the form of a notarial deed.

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

– Investment loan at Santander Bank Polska SA

Loan terms and conditions	30 September 2023
Loan contractual value	PLN 4,400 k
Loan period	10.06.2021 – 30.01.2026
Interest rate	WIBOR 1M + the bank's margin that does not differ from the standards applied by the bank
Loan balance	PLN 3,005 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 September 2023
Loan contractual value	PLN 12,000 k
Loan period*	07.12.2021 – 31.03.2029
Interest rate	WIBOR 1M + the bank's margin that does not differ from the standards applied by the bank
Loan balance	PLN 9,456 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; – registered pledge on 100% of shares in PPH SAS Andrzej Świderski Sp. z o.o., with the security expired due to the merger process, – accession to debt by SAS Sp. z o.o., however, due to the merger process the security expired, – blank bill of exchange issued by the Company together with a bill of exchange 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.

– Overdraft in BNP Paribas Bank Polska SA

Loan terms and conditions	30 September 2023
Loan contractual value	PLN 7,000 k
Loan period	19.11.2021 - 31.10.2023
Interest rate	WIBOR 1M + the bank's margin that does not differ from the standards applied by the bank
Loan balance	PLN 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.

After the end of the reporting period, Makarony Polskie S.A. concluded an annex to the overdraft agreement with BNP Paribas Bank Polska SA, which extended the term of the loan until 03 November 2025.

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

Terms of the agreement	30 September 2023
Contractual value	PLN 7,500 k
Duration	Agreement concluded for an indefinite period
Interest rate	WIBOR 1M + the bank's margin that does not differ from the standards applied by the bank
Factoring balance	PLN 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 September 2023, for which Stoczek Natura Sp. z o.o. was a party to the agreements, is presented in the tables below:

– Overdraft in Bank Gospodarstwa Krajowego

Loan terms and conditions	30 September 2023
Loan contractual value	PLN 4,000 k
Loan period*	16.11.2017 – 15.11.2024
Interest rate	WIBOR 3M + the bank's margin that does not differ from the standards applied by the bank

Loan balance	PLN 3,226 k
Repayment schedule	once on the liability maturity date
Loan collateral	– contractual mortgage up to PLN 6,000 k on real estate marked in KW No. LU1U/00022979/2 located in Stoczek Łukowski together with the assignment of rights from the property insurance policy, – authorization to a current account kept at the Bank, – blank promissory note with a promissory note declaration – registered pledge on the set of machines and devices (located in the plant in Stoczek Łukowski), along with the assignment of rights under the insurance policy for the subject-matter of the pledge, – surety of Makarony Polskie SA, – statement of the Company and the Guarantor on submission to enforcement made pursuant to Article 777 of the Code of Civil Procedure, in the form of a notarial deed.

After the end of the reporting period, Stoczek Natura Sp. z o.o. repaid the overdraft facility in full and terminated the loan agreement with Bank Gospodarstwa Krajowego, thereby extinguishing all the company's liabilities towards the Bank.

– Investment loan at Bank Gospodarstwa Krajowego*

During Q3 2023, Stoczek Natura Sp. z o.o. benefited from an investment loan with a total value of PLN 4,812 k granted to it by Bank Gospodarstwa Krajowego. The Company repaid the investment loan in full, thereby extinguishing all the Company's liabilities towards the Bank.

– Overdraft in BNP Paribas Bank Polska SA

Subsequent to the end of the reporting period, Stoczek Natura Sp. z o.o. entered into a multi-option credit line agreement with BNP Paribas Bank Polska SA, as described under "Significant agreements for the Group's operations" in this report.

INFORMATION ON LOANS GRANTED

As at 30 September 2023, Makarony Polskie SA granted its subsidiary Stoczek Natura Sp. z o.o. short-term loan in the amount of PLN 2.00 m with the repayment date falling on 31 December 2023 (one-off repayment until the maturity date of the liability). The interest rate on the loan was set based on market conditions.

Sureties and guarantees

Information on granted and received guaranties

During Q3 2023, 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 September 2023 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	157	until 31.01.2024	guarantee securing the Company's contractual obligations under the institutional contract concluded	– blank promissory note with a promissory note declaration
Santander Bank Polska SA	457	until 31.03.2027	guarantee securing the Company's contractual obligations under the institutional contract concluded	– joint mortgage of up to PLN 18,200 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.

A summary of the guarantees in force at Stoczek Natura Sp. z o.o. as at 30 September 2023 is shown in the table below:

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

INFORMATION ON GRANTED AND RECEIVED SURETIES

Makarony Polskie SA granted sureties to the subsidiary company Stoczek Natura Sp. z o.o., and their balance as at 30 September 2023 is presented below:

External liabilities	Creditor name	Amount of surety in PLN k	Expiration date	Balance of secured liabilities in PLN k as at 30.09.2023
Surety of overdraft facility in the amount of PLN 4.0 m Surety of investment loan in the amount of PLN 13.8 m	Bank BGK	6,000	15.05.2025	3,226
Bank guarantee in the amount of PLN 2,2 m	Bank BGK	2,235	30.06.2025	-
Bank guarantee in the amount of PLN 0.5m	Bank BGK	559	30.09.2026	-

Makarony Polskie S.A. received remuneration for granting the warranties.

Stoczek Natura Sp. z o.o. granted sureties to the parent company Makarony Polskie SA, and their balance as at 30 September 2023 is presented below:

External liabilities	Creditor name	Amount of surety in PLN k	Expiration date	Balance of the secured liabilities in PLN k as at 30.09.2023
Surety of overdraft facility in the amount of PLN 5.0 m	Santander Bank Polska SA	15,366	30.12.2026	0
Surety of investment loan in the amount of Surety of investment loan in the amount of PLN 13.8 m	Santander Bank Polska SA			414

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

MP Trade Sp. z o.o. did not provide any guarantees.

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 September 2023	31.12.2022
1. Contingent assets	**3,467**	**3,243**
- received guarantees and sureties	3,408	3,184
- collaterals on assets	0	0
- promissory notes	59	59
2. Contingent liabilities	**137,927**	**185,337**
- for provided guarantees and warranties	0	0

- collaterals on property	107,038	141,685
- promissory note obligations	30,889	43,652
Total off-balance items	**-134,460**	**-182,094**

The values of guarantees received, collaterals, promissory notes, mortgages and other off-balance sheet liabilities in the table above have been presented at maximum values. 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 Q3 of 2023, there were no material events or transactions other than those above described that required disclosure in these financial statements of the Group.

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

After the balance sheet date, there were no material events other than the ones described above that could significantly affect the financial results of the Group.

Makarony Polskie
- SPÓŁKA AKCYJNA -

CONDENSED SEPARATE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 JANUARY TO 30 SEPTEMBER 2023

Makarony Polskie SA
16 November 2023

Selected financial data of Makarony Polskie SA

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 September 2023, EUR 1= PLN 4.6356; 31 December 2022, EUR 1= PLN 4.6899
- items of the statement of comprehensive income and statement of cash flows have been converted at the exchange rate being the arithmetic average of the average rates set by the National Bank of Poland effective on the last day of each month of Q1,Q2,Q3 of 2023 = PLN 4.5773 and at the end of each month of Q1, Q2, Q3 of 2022 = PLN 4,6880.

Selected financial data	30 September 2023 (in PLN k)	30 September 2022 (in PLN k)	30 September 2023 (in in EUR k)	30 September 2022 (in in EUR k)
Net revenues from sale of products, services, goods and materials	220,488	169,543	48,170	36,165
Profit (loss) from continued operations	23,361	12,397	5,104	2,644
Gross profit (loss)	22,286	10,775	4,869	2,298
Net profit (loss) from continued operations	17,888	8,469	3,908	1,807
EBIT	23,361	12,397	5,104	2,644
EBITDA (EBIT + depreciation)	30,974	17,015	6,767	3,629
Net cash flows from operating activities	33,599	5,940	7,340	1,267
Net cash flows from investment activities	- 4,478	- 16,320	- 978	- 3,481
Net cash flows from financial activities	- 15,097	- 6,886	- 3,298	- 1,469
Total net cash flows	14,024	- 17,266	3,064	- 3,683
Total assets ***	218,524	195,318	47,140	41,647
Liabilities and provisions for liabilities ***	83,397	91,268	17,990	19,461
Long-term liabilities ***	29,840	32,963	6,437	7,029
Short-term liabilities ***	53,557	58,305	11,553	12,432
Equity ***	135,127	104,050	29,150	22,186
Share capital ***	33,120	33,120	7,145	7,062
Number of shares (units)	11,040,071	11,040,071	11,040,071	11,040,071
Weighted average number of shares (in units) during the current financial year ***	11,040 071	11,040,071	11,040,071	11,040,071
Profit/loss per ordinary share (in PLN/EUR) *	1.62	0.77	0.35	0.16
Book value per one share (in PLN/EUR) **	12.24	9.42	2.64	2.01

* Net profit/loss per ordinary share = net result/weighted average number of shares in the period
** Book value per one ordinary share = equity/number of shares at a given balance sheet date
*** Comparable figures for the statement of financial position as at 31 December 2022

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

Makarony Polskie SA	01.07.2023-30.09.2023	01.07.2023-30.09.2023	01.07.2022-30.09.2022	01.01.2022-30.09.2022
Revenues from sales	**81,936**	**220,488**	**56,601**	**169,543**
Revenues from sales of other products and services	66,511	175,417	44,667	132,206
Net revenues from sales of materials and goods	15,425	45,071	11,934	37,337
Own cost	**58,407**	**166,584**	**44,276**	**135,344**
Production costs of products and services sold	44,488	125,634	33,330	101,445
Value of goods and materials sold	13,919	40,950	10,946	33,899
Gross profit (loss) on sales	**23,529**	**53,904**	**12,325**	**34,199**
Costs of sales	8,206	22,720	5,922	17,038
General administrative costs	2,073	6,445	1,415	4,156
Other revenues	595	1,736	324	1,015
Other costs	752	3,114	424	1,623
Profit (loss) from continued operations	**13,093**	**23,361**	**4,888**	**12,397**
Financial incomes	2	261	15	50
Financial costs	331	1,336	744	1,672
Gross profit (loss)	**12,764**	**22,286**	**4,159**	**10,775**
Income tax	2,549	4,398	939	2,306
Profit (loss) from continued operations, in this attributable to:	**10,215**	**17,888**	**3,220**	**8,469**
Shareholders of the parent Company	10,215	17,888	3,220	8,469
Basic net result per share in PLN	0.93	1.62	0.29	0.77
Diluted net result per share in PLN	0.93	1.62	0.29	0.77
Other total net income/loss	0	0	0	0
Total net income, in this attributable to:	**10,215**	**17,888**	**3,220**	**8,469**
Shareholders of the parent Company	10,215	17,888	3,220	8,469
Non-controlling shares				

Condensed statements of the financial position of Makarony Polskie SA

ASSETS	30 September 2023	31 December 2022	30 September 2022
FIXED ASSETS	**132,530**	**132,805**	**134,539**
Fixed tangible assets	93,395	76,063	78,005
Fixed assets - IFRS-16	3,065	3,504	3,419
Investment real estate 603	603	603	603
Other intangible assets	5,380	5,411	5,277
47,190			
Non-current financial assets of which	30,080	47,190	47,190
Shares	30,080	47,190	47,190
Borrowings granted	0	0	0
Assets for deferred income tax	0	0	0
Other long-term assets	7	34	45
CURRENT ASSETS	**85,994**	**62,513**	**64,729**
Inventories	23,137	29,809	28,183
Short-term receivables	45,925	29,915	25,313
Corporate income tax receivables	0	0	0
Borrowings granted	2,012	2,012	2,005
Cash and cash equivalents	14,486	461	9,059
Other short-term assets	434	316	169
ASSETS FOR SALE	**0**	**0**	**0**
TOTAL ASSETS	**218,524**	**195,318**	**199,268**

LIABILITIES	30 September 2023	31.12.2022	30.06.2022
EQUITY	**135,127**	**104,050**	**102,057**
Revaluation capital	33,120	33,120	33,120
Supplementary capital	52,306	48,468	48,468
Reserve capital	12,000	12,000	12,000
Retained profits/losses (profit/loss from previous years)	37,701	10,462	8,469
LONG-TERM LIABILITIES	**29,840**	**32,963**	**37,641**
Provision for deferred income tax	3,715	2,213	3,780
Long-term bank loans and borrowings	9,445	11,707	14,350
Other long-term financial liabilities	0	0	0
Provision for pensions and similar (long-term)	872	340	321
Revenues of future periods - long-term	12,733	15,332	15,822
Long-term financial liabilities - leasing	3,075	3,371	3,368
SHORT-TERM LIABILITIES	**53,557**	**58,305**	**59,570**
Short-term bank loans and borrowings	4,929	8,740	13,539
Other short-term financial liabilities 368	0	214	307
Short-term financial liabilities - leasing	984	1,169	1,162
Financial liabilities due to dividends	0	0	0
Other short-term liabilities	35,840	44,108	41,449
Corporate income tax liabilities 0	4,977	1,237	177
Revenues of future periods - short-term	2,212	1,273	1,302

Condensed statements of the financial position of Makarony Polskie SA

Provision for retirement and similar benefits (short-term)	2,603	1,564	1,070
Other short-term provisions	2,012	0	564
TOTAL LIABILITIES	**83,397**	**91,268**	**97,211**
TOTAL LIABILITIES	**218,524**	**195,318**	**199,268**

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

Makarony Polskie SA	01.01.2023-30.09.2023	01.01.2022-30.09.2022
Profit/loss before tax	**22,286**	**10,775**
Adjustments by items:		
Depreciation	7,613	4,618
Profits/losses on exchange differences	- 1	- 204
Interest expense and income	937	1,145
Profit/loss from investing activities	- 5	- 3
Change in provisions	3,584	748
Change in inventories	6,672	- 14,776
Change in receivables	- 16,698	- 3,529
Change in liabilities and other assets and liabilities	- 9,881	8,027
Other adjustments	20,916	0
Total adjustments	**13,137**	**- 3,974**
Dividend revenues	0	0
Corporate income tax paid/reimbursed	-1,824	- 861
Cash flows from net operating activities	**33,599**	**5,940**
Cash flows from investment activities		
Proceeds from the sale of fixed assets and intangible assets	11	21
Proceeds from sales of financial assets	0	0
Expenses for the acquisition of fixed tangible assets and intangible assets	- 4,726	- 4,021
Expenses for the acquisition of subsidiaries	0	-12,363
Interest income	237	43
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	**- 4,478**	**- 16,320**
Cash flows from financial activities		
Proceeds from loans and borrowings	24	2,260
Proceeds from dividends	0	675
Proceeds from the issue of debt securities	0	0
Repayment of loans and borrowings	- 6,097	- 3,830
Payment of liabilities under financial lease agreements	- 999	- 1,213
Interest paid	- 1,186	- 1,190
Payment of other financial liabilities	- 215	- 276
Dividend paid to shareholders	- 6,624	- 3,312
Net cash flows from financial activities	**- 15,097**	**-6,886**
Increase/decrease in cash and cash equivalents	14,024	- 17,266
Cash, cash equivalents and overdrafts at the beginning of the period	**461**	**26,121**
Foreign exchange gains/losses on the valuation of cash, cash equivalents and overdrafts	1	204
Cash, cash equivalents and overdrafts at the end of the period, including	**14 486**	**9,059**
with restricted availability	**0**	**4,748**

Condensed statement of changes in equity of Makarony Polskie SA

For the period from 01 January 2023 to 30 September 2023

	Core capital	Supplementary capital	Reserve capital	Retained profit/loss	In total
As at 1 January 2023	**33,120**	**48,468**	**12,000**	**10,462**	**104,050**
Distribution of profit/loss coverage		3,838		-3,838	
Profit distribution - dividend payment				- 6,624	- 6,624
Other comprehensive income					
Settlement of merger transactions				19,813	19,813
Net result after Q3 of 2023				17,888	17,888
As at 30 September 2023	**33,120**	**52,306**	**12,000**	**37,701**	**135,127**

For the period from 01 January 2022 to 31 December 2022

	Core capital	Supplementary capital	Reserve capital	Retained profit/loss	In total
Balance as at 1 January 2022	**27,750**	**39,228**	**24,888**	**5,034**	**96,900**
Distribution of profit/loss coverage		1,722		-1,722	
Profit distribution - dividend payment				- 3,312	- 3,312
Issue of shares	5,370	7,518	-12,888		
Other comprehensive income					
Net result in 2022				10,462	10,462
As at 31 December 2022	**33,120**	**48,468**	**12,000**	**10,462**	**104,050**

For the period from 01 January 2022 to 30 September 2022

	Core capital	Supplementary capital	Reserve capital	Retained profit/loss	In total
Balance as at 1 January 2022	**27,750**	**39,228**	**24,888**	**5,034**	**96,900**
Distribution of profit/loss coverage		1,722		-1,722	
Profit distribution - dividend payment				- 3,312	- 3,312
Issue of shares	5,370	7,518	-12,888		
Other comprehensive income					
Net result after Q3 of 2022				8,469	8,469
Balance as at 30 September 202s	**33,120**	**48,468**	**12,000**	**8,469**	**102,057**

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.

	01.07.2023-30.09.2023	01.01.2023 30.09.2023	01.07.2022-30.09.2022	01.01.2022 30.09.2022
Revenues from sales of products	65,994	173,506	44,001	129,808
Revenues from the sale of services, including:	517	1,911	666	2,398
- service production	155	776	467	1,303
- for lease, storage	298	859	158	953
- for marketing and distribution services	53	186	32	65
- other	11	90	9	77
Revenues from sale of materials	114	2,251	380	2,213
Revenues from sale of goods	15,310	42,820	11,554	35,124
Total	**81,936**	**220,488**	**56,601**	**169,543**

Operating segments

In Q3 of 2023, the Makarony Polskie Company carried out sales according to the following product groups, achieving the following revenues on this account:

	01.07.2023-30.09.2023	01.01.2023-30.09.2023	01.07.2022-30.09.2022	01.01.2022-30.09.2022
Pasta	67,219	177,863	44,956	136,287
Meat and vegetable preserves	12,484	33,247	9,414	23,667
Vegetable and fruit preserves	1,794	5,992	1,599	6,188
Total	439	3,386	632	3,401
Total	**81,936**	**220,488**	**56,601**	**169,543**

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.

Other operating income and expenses

OTHER REVENUES

For the period	01.07.2023-30.09.2023	01.07.2023-30.09.2023	01.07.2022-30.09.2022	01.01.2022-30.09.2022
State subsidies	552	1,659	318	955
Profit on sale of tangible fixed assets	0	5	0	3
Reversal of impairment losses on receivables	0	0	0	0
Sale of scrap and waste	14	20	1	6
Compensation and complaints	7	26	3	44
Reimbursement of social security contributions	2	2	2	5
Refund of court and bailiff fees	0	0	0	2
Total	20	24	0	0
Total	**595**	**1,736**	**324**	**1,015**

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	01.07.2023-30.09.2023	01.07.2023-30.09.2023	01.07.2022-30.09.2022	01.01.2022-30.09.2022
Creation of provisions	0	0	0	0
Write-down of receivables	0	0	0	133
Write-downs of inventories	0	1,093	0	175
Donations	3	11	0	6
Contractual penalties	8	12	0	6
R&D costs	501	1,512	371	1,160
Litigation costs	0	0	32	53
Sponsoring	12	83	4	48
Liquidation of damaged and expired inventories	228	389	39	65
Total	0	14	- 22	-23
Total	**752**	**3,114**	**424**	**1,623**

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	01.07.2023-30.09.2023	01.01.2023-30.09.2023	01.07.2022-30.09.2022	01.01.2022-30.09.2022
Interest income, including:	112	241	15	50
- interest on loans	35	105	15	45
- interest on bank deposits	77	132	0	
- interest on other receivables	0	4	0	5
Profits on exchange differences	- 110	20	0	0
Profit on disposal of investments - shares 0	0	0	0	0
Total	0	0	0	0
Total	**2**	**261**	**15**	**50**

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	01.07.2023-30.09.2023	01.01.2023-30.09.2023	01.07.2022-30.09.2022	01.01.2022-30.09.2022
Interest costs, including those relating to:	282	1,191	453	1,193
- bank loans	242	898	318	859
- factoring and leasing costs	18	186	116	241
- costs on liabilities	5	5	2	2
- IFRS-16 interest costs	17	102	17	91
- other	0	0	0	0
Other financial costs, including:	48	144	291	479
- loss due to negative exchange rate differences	0	0	245	283
- commissions, guarantee	48	145	46	112
- discount costs 0	0	0	0	0
- other financial costs	0	0	0	84
Total	**330**	**1,336**	**744**	**1,672**

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.

Other significant events and transactions impacting the company's revenue and separate result after Q3 2023

On 26 June 2023, the District Court in Rzeszów, 12th Economic Division of the National Court Register registered the merger of Makarony Polskie S.A. (as the acquiring company), with its subsidiary SAS Sp. z o.o. (as the acquired company).

The merger of the Companies took place based on art. 492 §1 item 1) of the KSH, by transferring all assets of the acquired company (SAS Sp. z o.o.) to the acquiring company (Makarony Polskie SA) - merger by acquisition. Pursuant to Article 514 of the KSH, the merger was made without increasing the share capital of the acquiring company, i.e. Makarony Polskie SA. As a result of the merger, the acquired company (SAS Sp. z o.o.) was dissolved without conducting liquidation proceedings and deleted from the register of companies of the National Court Register, according to art. 493 §1 of the KSH.

Economic considerations, among others, were in favour of the merger. As a result of the merger, it will be possible to:

- reduce of operating costs generated by simultaneous maintenance of two companies - Makarony Polskie S.A. and SAS Sp. z o.o., when the scope of business activities of both entities was the same or very similar and consisted mainly in pasta production,
- reduce the costs as a result of the merger of two companies
- integrate the operational processess of both companies.

The analysis of the impact of the merger on the Statement of Comprehensive Income of Makarony Polskie S.A. in the period from 1 January to 30 September 2023 vs. the corresponding period in 2022 - selected financial items - is described below:

Revenue from sales

Comparing the three quarters of 2023 to the corresponding period in 2022, the Company recorded an increase in sales revenue from PLN 169.5 million to PLN 220.5 million.

The increase in sales revenue is due to the merger of SAS Sp. z o.o. with Makrony Polskie SA in Q2 2023. Revenue from sales in 2022 did not include revenue of SAS Sp. z o.o. from Q3 2022 - an estimated amount of approximately PLN 17.9 million. Adding the above amount to

the 2022 revenue, the value of estimated revenue at Makarony Polskie SA after three quarters would be approximately PLN 187.4 million.

Gross profit on sales

Comparing the three quarters of 2023 to the same period in 2022, gross profit on sales increased from approximately PLN 34.2 million in 2022 to approximately PLN 53.9 million in 2023. SAS Sp. z o.o.'s gross profit in Q3 2022 was approximately PLN 5.4 million. Adding the above amount, the estimated profit on sales at Makarony Polskie SA after three quarters of 2022 would be PLN 39.6 million.

Net profit from continuing operations

Comparing Q3 2023 to the same period in 2022, net profit from continuing operations increased from PLN 8.5 million in 2022 to PLN 17.8 million in 2023. SAS's net profit in Q3 2022 was approximately PLN 2.7 million. Adding the above amount, the estimated net profit at Makarony Polskie SA after three quarters of 2022 would be approximately PLN 11.2 million.

The analysis provides only an estimate of the comparative data for 2022 adjusted based on costs and revenues of Q3 2022 of SAS Sp. z o.o. and as such is not a fully reliable reflection of the impact of the merger of Makarony Polskie SA and SAS Sp. z o.o. on the comparative values of Q3 2022 vs. Q3 2023 in Makarony Polskie SA.

Other material events and transactions

In Q3 2023, there were no material events or transactions, other than those described, that required disclosure in these financial statements, affecting the separate financial statements of Makarony Polskie SA.

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

There were no other significant events after the balance sheet date that could significantly affect the Company's financial results.

.....
Grażyna Kozielec
Chief Accountant

.....
Zenon Daniłowski
President of the Board

Rzeszów, 16 November 2023