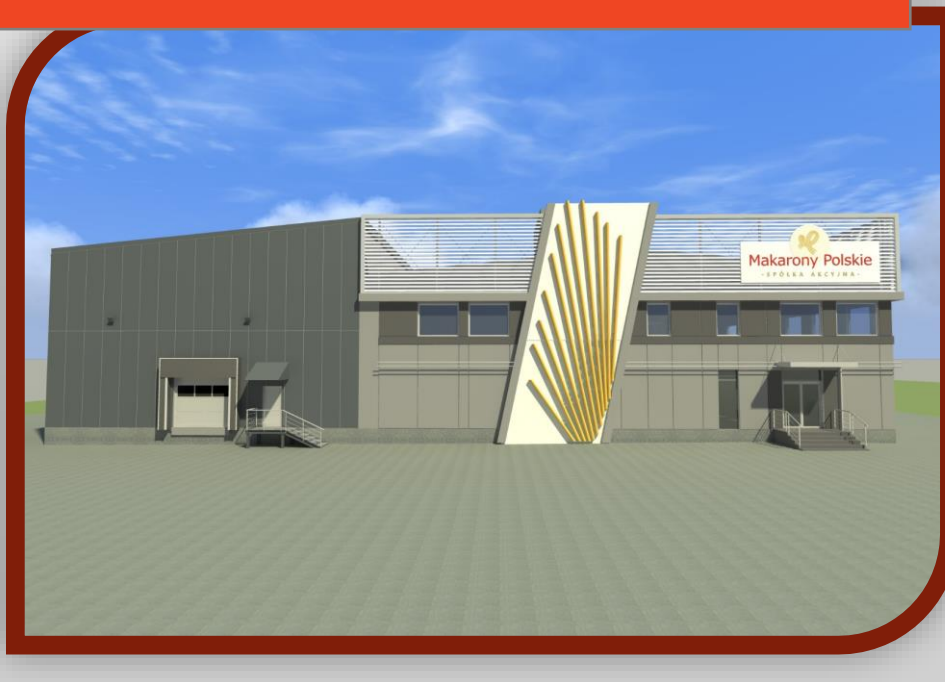
Makarony Polskie

- SPÓŁKA AKCYJNA -

Makarony Polskie Group Condensed financial statements for the period from 01.01.2022 to 30.06.2022



Rzeszów, 29 September 2022

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Makarony Polskie

- SPÓŁKA AKCYJNA -

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01.01.2022 TO 30.06.2022

General information

Organizational structure of the Makarony Polskie Group

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

- Makarony Polskie SA („Spółka", „spółka dominująca")
- Stoczek Natura Sp. z o.o.
- MP Trade Sp. z o. o.
- Przedsiębiorstwo Produkcyjno-Handlowe „SAS" Andrzej Świderski Sp. z o.o.



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

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

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

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

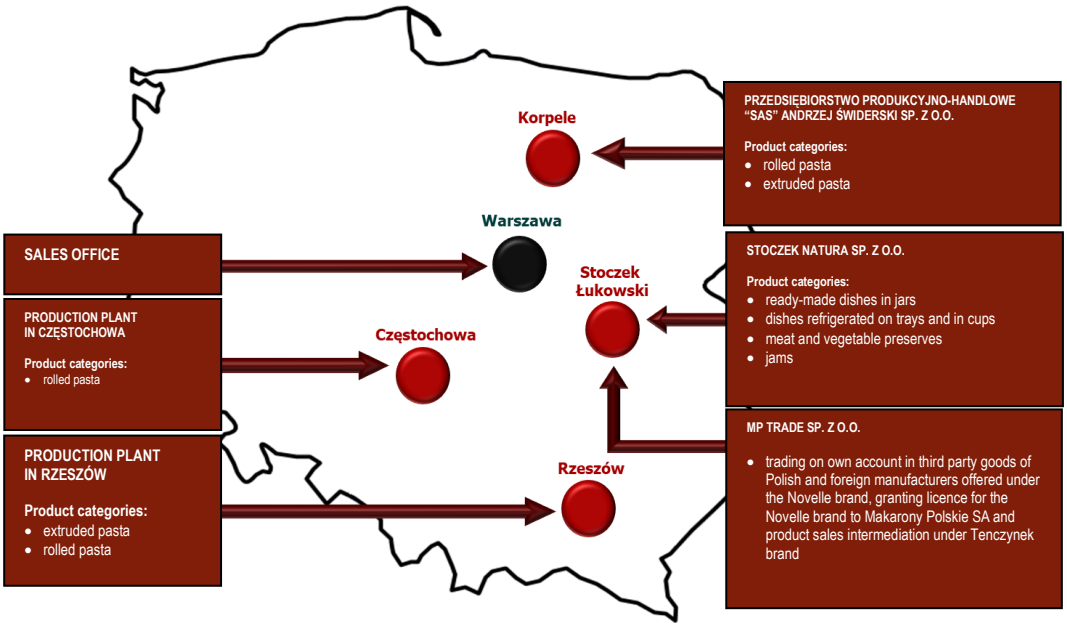
Przedsiębiorstwo Produkcyjno-Handlowe „SAS" Andrzej Świderski Sp. z o.o. is a manufacturer of a wide range of pasta, produced in rolled and stamped technology, such as tagliatelle. It offers its products in many different forms and combinations of raw materials, both under private label brands and its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

Changes in the organization of the Makarony Polskie Group in the first half of 2022

At the beginning of 2022, Makarony Polskie SA finalized the acquisition of Przedsiębiorstwo Produkcyjno-Handlowe „SAS" Andrzej Świderski Sp. z o.o. A manufacturer of a wide range of pasta, produced in rolled and stamped technology, such as tagliatelle. It offers its products in many different forms and combinations of raw materials, both under private label brands and its own brands: Va bene, Makaron Polski SAS and FUKS.

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

ORGANIZATION OF THE
MAKARONY POLSKIE GROUP



Organizational data

Makarony Polskie SA

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

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

KRS number 0000212001,

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

REGON (National Business Registry Number): 691674708,

NIP [tax identification number]: 8133278856.

www.makarony.pl.

Stoczek Natura Sp. z o.o.

Registered Office: 21-450 Stoczek Łukowski, ul. Dwernickiego 5,

Commercial Court Lublin Wschód with its registered office in Świdnik, 6th Commercial Department

KRS number: 0000050439,

Share Capital: PLN 15,707,800

REGON (National Business Registry Number): 711584640,

NIP [tax identification number]: 8251727212,

www.stoczek.com.pl.

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 (National Business Registry Number): 362706449,

NIP [tax identification number]: 8252176004,

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

Registerd Office: Korpele 60, 12-100 Szczytno,

District Court in Olsztyn, 8th Commercial Department

KRS number: 0000930233,

Share Capital: PLN 10,773,000.00

REGON (National Business Registry Number): 520336157

NIP [tax identification number]: 7451856735

http://makaronysas.pl/

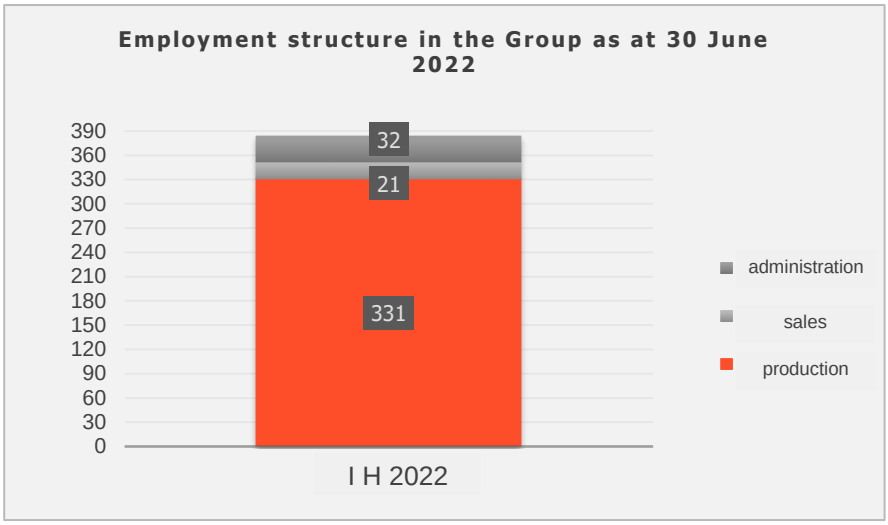
100% of shares in the share capital of Stoczek Natura Sp. z o.o., MP Trade Sp. z o.o., Przedsiębiorstwo Produkcyjno-Handlowe "SAS" Andrzej Świderski Sp. z o.o. is owned by Makarony Polskie SA. As at 30 June 2022, the share in the total number of votes at the Shareholders' Meetings of these companies, held by the parent company, is equal to the share in the capital of each of the subsidiaries.

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

Employment as at 30 June 2022 in the Makarony Polskie Group

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

As at 30 June 2022, the Makarony Polskie Group employed a total of 384 people (compared to 206 people at the end of the first half of 2021 and 210 people at the end of the first half of 2020). A significant increase of the employment at the end of the first half of 2022 compared to the corresponding period of 2021 results mainly from the fact that a new entity - PPH SAS A. Świderski Sp. z o.o. has joined the Group.



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

Composition of the Parent Company's Management Board

In the period from 1 January 2022 to the publication of these statements, the Management Board of the Company was composed of one member. Zenon Daniłowski is the President of the Management Board.

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

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

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

Shares held by the Management Board Members

Number and 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	IH 2022		Y 2021	
	number of shares	nominal value	number of shares	nominal value

Zenon Daniłowski*	140,000	420,000	140,000	420,000

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

In accordance with the information held by the Company, during H1 2022 and until the date of publication of these statements, there were no changes in the ownership of shares held directly by the President of the Management Board. The changes in the Company's shares held by the entities associated with the President of the Management Board are described in the paragraph "Shares held by main shareholders (over 5% of share capital)" of these statements.

Composition of the Parent Company's Supervisory Board

Since 1 January 2022 to 30 June 2022 the Supervisory Board was composed of:

- Roman Sobiecki – Chairman of the Supervisory Board,
- Ahmed Khalil – Vice Chairman of the Supervisory Board,
- Janusz Pierun – Member of the Supervisory Board,
- Marek Rocki – Member of the Supervisory Board,
- Michał Słomkowski – Member of the Supervisory Board,
- Wiesław Wasilewski – Member of the Supervisory Board.

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

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

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

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

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

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

Audit Committee

From 1 January 2022 to 30 June 2022, the Audit Committee of the Supervisory Board of the ninth term was composed of:

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

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

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

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

Shares held by Members of the Supervisory Board

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

Member of the Supervisory Board	IH 2022		Y 2021	
	number of shares	nominal value	number of shares	nominal value
Marek Rocki	0	0	0	0
Ahmed Khalil	0	0	0	0
Janusz Pierun	0	0	0	0
Michał Słomkowski	0	0	0	0

Roman Sobiecki	0	0	0	0
Wiesław Wasilewski *	26,782	80,346	26,782	80,346

* Mr. Wiesław Wasilewski acquired 20,000 shares of new series F which were acquired in December 2021 and registered in the National Court Register in March 2022.

In accordance with the information held by the Company, during H1 2021 and until the date of publication of these statements, there were no other changes in the ownership of shares held by the Members of the Supervisory Board.

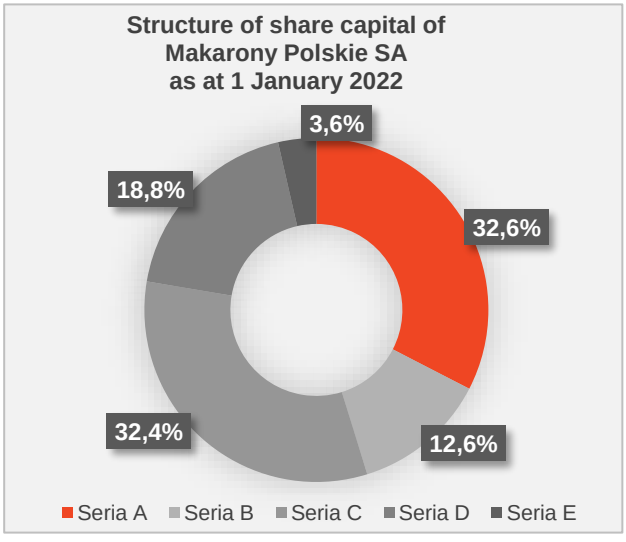
General Meeting of the Parent Company

As at 1 January 2022, the share capital of Makarony Polskie SA was:

- amount of share capital PLN 27,750,213
- total number of shares 9,250,071 shares,
- total number of votes at the General Meeting 9,250,071 votes.

Structure of the Company's share capital:

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



On 4 March 2022, in the register of business entities of the National Court Register, the increase of the share capital of Makarony Polskie SA by issuance of 1,790,000 series F ordinary

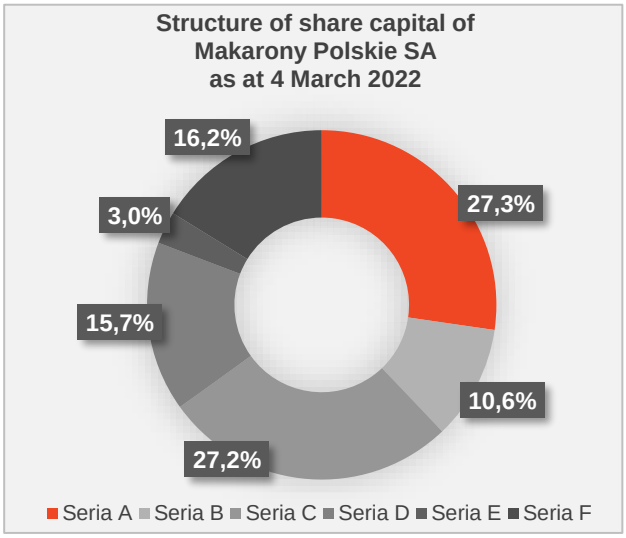
bearer shares was registered, which means the increase of the share capital by the amount of PLN 5,370,000 to the amount of PLN 33,120,213.

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

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

Structure of the Company's share capital:

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



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

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

Shares held by main shareholders (over 5% of share capital)

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

Shareholder	Shares in share capital		Votes at the General Meeting	
	number	% share	number	% share
Mr. Zenon Daniłowski and entities from Grupa PGS, including:	3,641,594	32.99%	3,641,594	32.99%
Praska Giełda Spożywcza SA (former: Agro-Technika SA)	*3,380,000*	*30.62%*	*3,380,000*	*30.62%*
Zenon Daniłowski	*140,000*	*1.27%*	*140,000*	*1.27%*
Polskie Smaki Sp. z o.o.	*121,594*	*1.10%*	*121,594*	*1.10%*
Raya Holding for Technology & Communications S.A.E., including:	3,254,706	29.48%	3,254,706	29.48%
Madova Sp. z o.o.	*3,254,706*	*29.48%*	*3,254,706*	*29.48%*
Z.P.H. „ELPAST" Elżbieta i Grzegorz Słomkowscy s.c.	1,169,750	10.60%	1,169,750	10.60%
Other shareholders	2,974,021	26.94%	2,974,021	26.94%
TOTAL	**11,040,071**	**100.00%**	**11,040,071**	**100.00%**

Changes in the shareholding structure during the first half of 2022

As a result of registration in the register of business entities of the National Court Register on 4 March 2022, of an increase in the share capital of Makarony Polskie SA by way of issue of 1,790,000 F-series ordinary bearer shares, i.e. an increase in the share capital by the amount of PLN 5,370,000 to the amount of PLN 33,120,213, the Company received notifications from the shareholders informing about the changes in the share in the share capital and total numer of votes in the Company:

- Madova Sp. z o.o. and Raya Holding For Financial Investments S.A.E. which is a direct parent of Madova, informed that as a result of the acquisition by Madova of 1,000,000 F-series shares, Madova directly exceeded, and Raya Holding indirectly exceeded the threshold of 25% of share in Makarony Polskie SA:

1) Prior to the Change of Shareholding, Madova directly held, and Raya Holding indirectly held 2,254,706 shares of the Company, accounting for 24.38% of the share capital of

Makarony Polskie SA and entitling to cast 2,254,706 votes, i.e. 24.38% of the total number of the votes.

2) Subsequent to the Change of Shareholding, Madova directly held, and Raya Holding indirectly held 3,254,706 shares of the Company, accounting for 29.48% of the share capital of Makarony Polskie SA and entitling to cast 3,254,706 votes, i.e. 29.48% of the total number of the votes.
3) There do not exist any subsidiaries of Madova holding shares of Makarony Polskie SA and no subsidiaries of Raya Holding other than Madova which would hold shares of the Company.
4) There do not exist any persons referred to in Article 87(1)(3)(c) of the Offering Act.
5) None of the notifying entities holds financial instruments referred to in Article 69b(1) of the Offering Act.
6) The aggregate total of the votes specified on the basis of Article 69b(4)(3), Article 69b(4)(7) and Article 69b(4)(8) of the Offering Act is specified in paragraph 2 above.

– the partners of Z.P.H. Elpast Elżbieta i Grzegorz Słomkowscy s.c. informed that there was a direct decrease in the share in Makarony Polskie SA:
1) Prior to the Change of Shareholding, Z.P.H. Elpast Elżbieta i Grzegorz Słomkowscy s.c. directly held 1,169,750 shares of the Company, accounting for 12.65% of the share capital of Makarony Polskie SA and entitling to cast 1,169,750 shares, accounting for 12.65% of the total number of the votes.

2) Subsequent to the Change of Shareholding, Z.P.H. Elpast Elżbieta i Grzegorz Słomkowscy s.c. directly held 1,169,750 shares of the Company, accounting for 10.60% of the share capital of Makarony Polskie SA and entitling to cast 1,169,750 votes, i.e. 10.60% of the total number of the votes.
3) There do not exist any subsidiaries of Z.P.H. Elpast Elżbieta i Grzegorz Słomkowscy s.c holding shares of Makarony Polskie SA.
4) There do not exist any persons referred to in Article 87(1)(3)(c) of the Offering Act.
5) None of the notifying entities holds financial instruments referred to in Article 69b(1) of the Offering Act.
6) The aggregate total of the votes specified on the basis of Article 69b(4)(3), Article 69b(4)(7) and Article 69b(4)(8) of the Offering Act is specified in paragraph 2 above.

– Praska Giełda Spożywcza SA informed that as a result of the acquisition of 590,000 F-series shares, there was a direct and indirect increase in the share in the Company:
1) Prior to the Change of Shareholding, Praska Giełda Spożywcza SA held directly and indirectly 2,911,594 shares of the Company, accounting for 31.47% of the share capital of Makarony Polskie SA and entitling to cast 2,911,594 votes, accounting for 31.47% of the total number of the votes, of which:

a. directly – 2,790,000 shares, accounting for 30.16% of the share capital and entitling to cast 2,790,000 votes, accounting for 30.16% of the total number of the votes,
b. indirectly (through a subsidiary Polskie Smaki Sp. z o.o.) – 121,594 shares, accounting for 1.31% of the share capital and entitling to 121,594 votes, accounting for 1.31% of the total number of the votes.

2) Subsequent to the Change of Shareholding, Praska Giełda Spożywcza SA held directly and indirectly 3,501,592 shares of the Company, accounting for 31.72% of the share capital of Makarony Polskie SA and entitling to cast 3,501,594 votes, accounting for 31.72% of the total number of the votes, of which:
a. directly – 3,380,000 shares, accounting for 30.62% of the share capital and entitling to cast 3,380,000 votes, accounting for 30.62 of the total number of the votes,
b. indirectly (through a subsidiary Polskie Smaki Sp. z o.o.) – 121,594 shares, accounting for 1.10% of the share capital and entitling to cast 121,594 votes, accounting for 1.10% of the total number of the votes,
3) There do not exist any other subsidiaries of Praska Giełda Spożywcza SA than Polskie Smaki Sp. z o.o. holding shares of Makarony Polskie SA.
4) There do not exist any persons referred to in Article 87(1)(3)(c) of the Offering Act.
5) None of the notifying entities holds financial instruments referred to in Article 69b(1) of the Offering Act.
6) The aggregate total of the votes specified on the basis of Article 69b(4)(3), Article 69b(4)(7) and Article 69b(4)(8) of the Offering Act is specified in paragraph 2 above.

– Mr. Zenon Daniłowski informed that as a result of the acquisition of 590,000 F-series shares by Praska Giełda Spożywcza, there was an indirect increase in the share in the Company:
1) Prior to the Change of Shareholding, Mr. Zenon Daniłowski held directly and indirectly 3,051,594 shares of the Company, accounting for 32.99% of the share capital of Makarony Polskie SA and entitling to cast 3,051,594 votes, accounting for 32.99% of the total number of the votes, of which:
a. directly – 140,000 shares, accounting for 1.51% of the share capital and entitling to cast 140,000 votes, accounting for 1.51% of the total number of the votes.
b. indirectly (through subsidiaries Praska Giełda Spożywcza SA and Polskie Smaki Sp. z o.o.) – 2,911,594 shares, accounting for 31.47% of the share capital, entitling to cast 2,911,594 votes, accounting for 31.47% of the total number of the votes.
2) Subsequent to the Change of Shareholding, Mr. Zenon Daniłowski held directly and indirectly 3,641,594 shares of the Company, accounting for 32.99% of the share

capital of Makarony Polskie SA and entitling to cast 3,641,594 votes, accounting for 32.99% of the total number of the votes, of which:

a. directly – 140,000 shares, accounting for 1.27% of the share capital and entitling to cast 140,000 votes, accounting for 1.27% of the total number of the votes,
b. indirectly (through subsidiaries Praska Giełda Spożywcza SA and Polskie Smaki Sp. z o.o.) – 3,501,594 shares, accounting for 31.72% of the share capital and entitling to 3,501,594 votes, accounting for 31.72% of the total number of the votes.

3) There do not exist any other subsidiaries of Zenon Daniłowski than Polskie Smaki Sp. z o.o. and Praska Giełda Spożywcza SA holding shares of Makarony Polskie SA.
4) There do not exist any persons referred to in Article 87(1)(3)(c) of the Offering Act.
5) None of the notifying entities holds financial instruments referred to in Article 69b(1) of the Offering Act.
6) The aggregate total of the votes specified on the basis of Article 69b(4)(3), Article 69b(4)(7) and Article 69b(4)(8) of the Offering Act is specified in paragraph 2 above.

The Company has no other information that would indicate changes in the number of shares held by significant shareholders (with share blocks above 5%) during the first half of 2022 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 June 2022 and the date of publication of these statements, the management board of the subsidiary Stoczek Natura Sp. z o.o. was composed of:

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

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

- Alicja Hinz – from 5 October 2001.

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

MP Trade Sp. z o.o.

In the period from 1 January 2022 to 1 March 2022, the management board of MP Trade Sp. z o.o. was composed of:

- Zenon Daniłowski – President of the Management Board.

On 1 March 2022, due to the resignation of Mr. Zenon Daniłowski from the function of the President of the Management Board of MP Trade Sp. z o.o, the Extraordinary Shareholders' Meeting of that company adopted a resolution on appointing Mr. Marcin Zieliński as the President of the Management Board.

In the period from 1 March 2022 to the date of publication of these statements, the management board of the subsidiary MP Trade Sp. z o.o. was composed of:

- Marcin Zieliński – President of the Management Board.

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

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

In the period from 1 January 2022 to 3 January 2022, the management board of the company was composed of:

- Andrzej Świderski – President of the Management Board.

On 3 January 2022, due to changes in ownership that occurred in PPH SAS A.Świderski Sp. z o.o., the Extraordinary Shareholders' Meeting dismissed Mr. Andrzej Świderski from the function of the Management Board President and entrusted Mr. Witold Żarek with the function of the Management Board President.

In the period from 1 January 2022 to the date of publication of these statements, the management board of the subsidiary:

- Witold Żarek – President of the Management Board.

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

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

Publication and approval of the financial statements

These condensed consolidated financial statements were reviewed by an auditing company and approved by the Management Board for publication on 29 September 2022.

Legal basis for preparation of consolidated financial statements

Declaration of compliance and the basis for preparing the statements

The condensed consolidated financial statements were prepared on the basis of the International Accounting Standards as approved by the European Union (EU) and related interpretations announced in the form of implementing regulations of the European Commission (hereinafter referred to as "IFRS"), applicable to interim financial reporting as approved by European Union (IAS 34 "Interim Financial Reporting") pursuant to Article 55 (5) of the Accounting Act (Journal of Laws of 2021, item 217 as amended) and regulations issued on its basis and in accordance with the requirements set out in the Regulation of the Minister of Finance of March 29, 2018 on current and periodic information provided by issuers of securities and conditions for recognizing as equivalent information required by the law of a non-member state (Journal of Laws of 2018, item 757) published and in force at the time of preparation of these condensed consolidated financial statements. The condensed financial statements do not include all information and disclosures required in the annual financial statements and should be read together with the Group and Parent Company's financial statements for the year ended December 2021..

Basis for valuation

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

Functional and presentation currency

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

Unless indicated otherwise, the financial data is denominated in PLN k.

Accounting principles applied and the basis for preparing the statements

The accounting principles used to prepare the interim condensed consolidated financial statements are consistent with those applied to the preparation of the annual financial statements of the Group of Companies for the year ended 31 December 2021 (published on 28 April 2022).

Legal basis for preparation of consolidated financial statements

The financial statements of all entities were prepared for the same reporting period using consistent accounting principles. The reporting year of the Group's company shall be the calendar year.

The parent company - Makarony Polskie SA – and its subsidiaries Stoczek Natura Sp. z o.o., MP Trade Sp. z o.o.and Przedsiębiorstwo Produkcyjno-Handlowe „SAS" Andrzej Świderski Sp. z o.o. prepare financial statements according to IAS/IFRS. All transactions, balances, revenues and costs between related entities covered by consolidation are subject to consolidation exclusions

Duration of the Group operation is not limited.

Consolidated entities:

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

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

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

Changes to the rules for preparing financial statements

The accounting principles (policy) used to prepare these separate financial statements for the 6-month period ended on 30 June 2022 are consistent with those applied to the preparation of the annual separate financial statements for the financial year ended on 31 December 2021, except for the changes described below.

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

There are currently three regulations not approved by the EU because the processes regarding the adoption of IFRS 14 and amendments to IFRS 10 and IAS 28 have been suspended.

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.

- Amendments to IFRS 3, IAS 16, IAS 37 and annual improvements to standards 2018-2020 (Annual improvements)

  Amendments to these standards were published on 14 May 2020 and are applicable to annual periods beginning on 1 January or later. The amendments relate, among others, to the the introduction of a probition on deducting from the cost of fixed assets production any proceeds from selling test products generated in the process of creating/launching a fixed asset and clarification what costs an entity takes into account when assessing whether a given contract will cause losses.

- Amendment to IFRS 16 Leasing – Concessions connected with Covid-19 granted after 30 June 2021

  The amendment to IFRS 16 was published on 31 March 2021 and applies to annual periods beginning on or after 1 April 2021. The purpose of the standard amendment is to extend by one year (until 30 June 2022) the period during which granting of leasing payment concessions related to Covid-10 does not have to involve a leasing agreement modification. That amendment is closely related to the already effective amendment to IFRS 16 published in May 2020.

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 2021 and for the period of 6 months ended 30 June 2022.

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;

- 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.

The Group will apply the new standard from 1 January 2023. As at the date of these statements, it is not possible to reliably estimate the impact of applying the new standard.

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

The amendment to IAS 1 was published on 23 January 2020, then in July 2020 the effective date was modified and it applies to annual periods beginning on or after 1 January 2023.

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 from 1 January 2023. As at the date of these financial statements, it is not possible to reliably estimate the impact of applying the new standard

- 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.

The Group will apply the amended standards from 1 January 2023. As at the date of these statements, it is not possible to reliably estimate the impact of applying the new standard

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

The amendment to IAS 12 was published on 7 May 2021 and applies to the annual periods beginning on or after 1 April 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.

The Group will apply the amendments to the standard from 1 January 2003. As at the date of these statements, it is not possible to reliably estimate the impact of applying the new standard

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

Amendment to IFRS 17 was published on 9 December 2021 and applies to annual period beginning on or after 1 April 2023. The amendment incuded 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 Group will apply the amendment to the standard from 1 January 2023. As at the date of these financial statements, the application of the amended standard will not have any impact on the Company's statements.

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 liabilitiesas as current and non-current published on 23 January 2020, as amended on 15 July 2020,
- Amendment to IAS 12 Income tax: Income tax: deferred tax on assets and liabilities arising from a single transaction published on 7 May 2021,
- Amendment to IFRS 17 Insurance Contracts: First-time Adoption of IFRS 17 and IFRS 9 – Comparative Information, published on 9 December 2021.

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

Accounting principles applied

For the preparation of these condensed interim consolidated financial statements, the accounting principles have been applied unamended with respect to the principles applied in the preparation of the annual consolidated financial statements for 2021, (- note Declaration of compliance with regulations)

Other new standards and interpretations that came into force in 2022 did not have a significant impact on the accounting principles applied by the Group of Companies.

Uncertainty of estimates

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

- depreciation rates,
- impairment of assets (including receivables),
- provisions value,
- deferred tax assets (companies recognize assets for deferred tax based on the assumption that a tax profit shall be obtained in the future allowing its utilization; deterioration of the obtained tax results in the future could cause that such assumption would be unjustified),
- valuation of assets with an indefinite useful life.
- The adopted marginal loan rate and the lease term for agreements with an indefinite period of validity due to the implementation of IFRS 16.

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

Impairment test of brands: ABAK, Tenczynek

The impairment tests of the brands have been carried out using an income-based valuation method discounting future hypothetical royalties to present value with the following assumptions:

- 5-year forecast period (2022-2026),
- one scenario – realistic,
- financial projections based on historical data taking into account organic brand development plans,
- discount rate was set at a variable level, a discount factor was calculated using a chain method (variable WACC equal to: in 2022 = 11.3%; in 2023 = 11.3%; in 2024 = 9.9%; in 2025 = 9.1%; in 2026 = 8.3%),
- royalty rate of 5%;
- growth rate after the forecast period – 0%

For the impairment test of the brands carried out as at 30 June 2022 consisting in the calculation of the value in use, a sensitivity analysis of key assumptions was performed. The purpose of the sensitivity analysis was to examine what value the selected model parameters would have to take so that the estimated value in use of the cash-generating units equals the carrying amount of the unit. The tests carried out showed the assumed values of the key assumptions are at a safe level and there is a low probability that the recoverable value will be below the book value.

The tests carried out did not identify a need for write-downs of brands.

Goodwill impairment tests

The goodwill in the amounf of PLN 5,949 k recognized in assets reflects the difference between the purchase price paid for 100% of shares in Stoczek Natura Sp. z o.o. and the fair value of this company's net assets as at 1 June 2007, i.e. the date of the transfer of shares.

The goodwill on the acquisition of a business entity is initially recognized according to the acquisition price, representing the excess of the cost of the business combination over the acquirer's share in the net fair value of the identifiable assets, liabilities and contingent liabilities.

Upon preliminary recognition the goodwill is disclosed at the purchase price reduced by any accumulated impairment write-downs. Goodwill is not amortized.

In connection with the incorporation of MP Trade Sp. z o.o. in 2015, the Group recognized a positive value between the acquisition value of 100% of the shares and the expenses incurred for taking up shares. The goodwill amounts to PLN 3 k and is not subject to amortization.

The tests have been carried out using a free cash flow discounting method with the following assumptions:

- 5-year forecast period (2022-2026),
- one scenario – realistic,
- financial projections based on historical data taking into account organic brand development plans,
- discount rate was set at a variable level, a discount factor was calculated using a chain method (variable WACC equal to: in 2022 = 11.3%; in 2023 = 11.3%; in 2024 = 9.9%; in 2025 = 9.1%; in 2026 = 8.3%),
- royalty rate of 5%;
- growth rate after the forecast period – 0%

The tests carried out did not identify a need for write-downs of goodwill.

For the impairment test of goodwill carried out as at 30 June 2022 consisting in the calculation of the value in use, a sensitivity analysis of key assumptions was performed. The purpose of the sensitivity analysis was to examine what value the selected model parameters would have to take so that the estimated value in use of the cash-generating units equals the carrying amount of the unit. The tests carried out showed the assumed values of the key assumptions are at a safe level and there is a low probability that the recoverable value will be below the book value.

Asset impairment tests at the level of the unit and the Group of Companies Makarony Polskie

The impairment tests have been carried out using an income-based valuation method discounting future cash flows to present value, taking into account the residual value and with the following assumptions:

- 5-year forecast period (2022-2026),
- one scenario – realistic,
- financial projections based on historical data,
- discount rate was set at a variable level, a discount factor was calculated using a chain method (variable WACC equal to: in 2022 = 11.3%; in 2023 = 11.3%; in 2024 = 9.9%; in 2025 = 9.1%; in 2026 = 8.3%),
- growth rate after the forecast period – 0%

For the impairment test of the assets of Makarony Polskie and the Group of Companies Makarony Polskie carried out as at 30 June 2022 consisting in the calculation of the value in use, a sensitivity analysis of key assumptions was performed. The purpose of the sensitivity analysis was to examine what value the selected model parameters would have to take so that the estimated value in use of the cash-generating units equals the carrying amount of the unit. The tests carried out showed the assumed values of the key assumptions are at a safe level.

The tests carried out did not identify a need for write-downs due to impairment of assets of the company and the Group of Companies Makarony Polskie.

Share impairment tests

The impairment tests have been carried out using an income-based valuation method discounting future cash flows to present value, taking into account the residual value and with the following assumptions

- 5-year forecast period (2022-2026),
- one scenario – realistic,
- financial projections based on historical data,
- discount rate was set at a variable level, a discount factor was calculated using a chain method (variable WACC equal to: in 2022 = 11.3%; in 2023 = 11.3%; in 2024 = 9.9%; in 2025 = 9.1%; in 2026 = 8.3%),
- growth rate after the forecast period – 0%

For the impairment test of the shares in the subsidiaries carried out as at 30 June 2022 consisting in the calculation of the value in use, a sensitivity analysis of key assumptions was performed. The purpose of the sensitivity analysis was to examine what value the selected model parameters would have to take so that the estimated value in use of the cash-

generating units equals the carrying amount of the unit. The tests carried out showed the assumed values of the key assumptions are at a safe level.

The tests carried out did not identify a need for write-downs due to impairment of shares in the subsidiaries.

Going Concern

The consolidated financial statements of the Makarony Polskie Group have been prepared on the assumption that the business of the Group companies will be continued in the foreseeable future and not significantly reduced. The Group did not conduct operations which were discontinued in the first half of 2022.

Factors and risks with a significant impact on the financial results in the first half of 2022 and in 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 innovative technologies for the production of new products: functional, health-promoting, low-processed food, easy to prepare,
- Stoczek Natura Sp. z o.o. has successfully introduced SoFood ready-made dishes on trays and in bowls to its offer, which achieved the position of sales vice-leader in its category (according to the report of Nielsen company), further systematic offer development of SoFood brand in close association with market trends and upward trend of this segment is a good sign for sales increase in the future periods,
- PPH SAS A.Świderski Sp. z o.o. has carried out a number of investment projects aimed at improving the production effectiveness and flexibility and reducing the production costs: the capacity of cold storage rooms has been increased, a semi-automatic wrapping

machine for stretching pallets with foil has been installed in order to improve the quality of pallets sent, a system for collection and analysis of data from pass-through checkweighers has been ordered, works to diversify the sources of process heat generation are carried out, the company has also taken steps to sell unused assets, and it plans to use the proceeds from sales for further investment projects in the machine park,

- in all plants of the Group, by the end of 2023, it is planned to invest in photovoltaics - the production processes of pasta and ready meals are characterized by high energy consumption, investments in "green energy" will allow the Group, on the one hand, to take care of the environment and reduce its carbon footprint and, on the other hand, to reduce the cost of production resulting from increases in electricity prices.

Finalization of the acquisition process conducted by the Company

- The Makarony Polskie Group focuses on systematic, long-term organic growth, but also takes advantage of the acquisition opportunies, if they arise in the market, as in the case of Przedsiębiorstwo Produkcyjno-Handlowego SAS Andrzej Świderski, the acquisition of which was finalized at the beginning of 2022,
- the acquisition of a competitive pasta manufacturer, which is among the top five egg pasta manufacturers in the country, will contribute to increasing the production potential of Makarony Polskie SA and allow it to effectively use this potential, it will enrish the product portfolio with pasta which is very popular on the Polish market, i.e. "nests",
- rolled egg pasta has high taste qualities, it is characterised by a higher selling price, which according to the Company will allow it to increase the revenues and improve the level of sales margins, and, consequently, have a positive impact on the Group's operations in the long term.
- acquisition has strengthened the Group's position as the leader in the field of rolled egg pasta (used willingly in Poland and Central Europe) and the position as the vice-leader among Polish pasta manufacturers,
- on 31 August 2022, the plan of the merger of the companies, Makarony Polskie SA as an acquiring company and PPH SAS A.Świderski Sp. z o.o. as a company being acquired, was agreed and signed – e.g. economic conditions are in favour of the merger of the companies. As a result of the merger, it will be possible to:
  - reduce the operating costs generated by the simultaneous operations of two companies - Makarony Polskie SA and Przedsiębiorstwo Produkcyjno-Handlowe "SAS" Andrzej Świderski sp. z o.o in a situation when a range of business activities of both entities is the same or very similar, and consists mainly in pasta production,
  - achieve the synergy,
  - reduce the costs as a result of the merger of two companies
  - integrate the operational processess of both companies.

Activity development in the private label segment

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

Development of B2B sales channels and Institutions

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

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

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

Export development

- systematic increase in the number of customers on foreign markets - focusing on European markets,

- intensification of communication with current and potential customers through the participation, *inter alia,* in trade fairs and exhibitions, such as PLMA and SIAL 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 Group

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

- pressure from the business environment, including government authorities to maintain a stable level of prices, as well as the reluctance of key recipients to implement increases under concluded agreements, delayed the implementation of new sales prices, allowing the Company to partially compensate for the increase in cost factors.

Immediately after information on the Covid-19 epidemic getting closer to the Polish borders appeared, even before official announcement of the epidemic state on the territory of the Republic of Poland, additional security procedures and security measures have been implemented in the Group's companies to secure the continuity of production and reduce the risk of the virus spreading among the crew members. These procedures are systematically validated and modified depending on the needs and the evolution of the epidemiological situation.

In the opinion of the Management Board, there are no threats in the Makarony Polskie Group that would make it impossible to pay its liabilities. The Group has no problems with the repayment of receivables by its contractors (no changes in the collection of receivables were identified). The Group has not identified an increase in the valuation risks and the deposition

of inventories. As at the publication date of the statements, the Group does not identify any significant risks of failure to meet the financial covenants included in loan agreements in connection with the COVID-19 pandemic.

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

The impact of the political and economic situation in Ukraine on the operations of Makarony Polskie SA

The impact of the political and economic situation in Ukraine on the operations and financial results of the Makarony Polskie Group is visible in several areas:

- price increases and problems with availability of certain key raw materials and materials (e.g. flour, egg pulp, film and cardboard packaging) – due to the increased demand and turbulence in the supply chain (e.g. trade difficulties with Ukraine) may have a negative impact on the effectiveness of day-to-day operations. Previously – alternately – one cost component was increasing, another was decreasing, while the third one was stable, therefore price fluctuations could be amortized and in the long term thet price increase, if any, was of a few percent. Since the beginning of 2022, all costs have been growing simultaneously and week by week, so the price changes are currently up to several dozen percent,
- price increases of energy, gas and fossil fuels due to the global situation (the ongoing "energy crisis"),
- absence among the staff – the war outbreak have caused many Ukrainians (both men and women) who were working in Poland to decide to return to their homeland – to the front or to their families left behind. It was a challenge for companies to find a replacement for them in a short time. Currently, the risk has been partially mitigated by the Polish government's decision to allow the Ukrainian refugees to enter the Polish labor market,
- pressure from the business environment has forced the Group to renegotiate contracts and change the way it determines the prices for B2B clients – since the outbreak of the war in Ukraine, the Group's company have adopted a strategy of setting prices in one- or maximum two-week periods with the possibility of maintaining sales prices in

subsequent periods provided that the market prices of raw materials and packaging are stabilized,

- insurance institutions are withdrawing from insuring contracts with Ukrainian clients, which also results in limited possibilities of granting trade credit for Ukrainian clients and imposes cooperation on prepayment basis.
- increased demand of Ukrainian clients for pasta and other products with a long shelf-life - the products offered by the Group's companies belong to this group of goods. It has a positive impact on the Group because transactions are entered into in the form of prepayment in euro, which increases the Group's financial liquidity, reduces the use of loans and allows for eliminating a negative impact of exchange rate volatility through natural hedging,
- difficulties in logistics related to the capacity of the state border with Ukraine and limited availability of means of transport are translated into high short-time variability in sales to Ukrainian clients (e.g. month-to-month) which is reflected in difficult planning of sales and production for this market.

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

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

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

At the moment, in spite of the war that has lasted for 6 months, it is difficult to forsee a further situation in Ukraine and its impact on the situation of the Company and the Makarony Polskie Group, but it should be stated that as of today, the impact is neutral. Other factors,

such as energy crisis and inflation, have much greater impact on the situation of the food industry 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 2022.

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

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

Current market trends are monitored on a regular basis. The Group's companies quickly and flexibly match their offer to them, both in terms of the products themselves and their production technology. The current product range of the Group is modified in line with market trends, e.g. health-related products, "Fit" products, products for vegans and vegetarians, products with reduced gluten content, pasta with flavorings and made from cereals such as spelt and buckwheat, products based on, or with addition of vegetable flour are systematically developed, we develop a line of "clean label" products.

Risk related to competition

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

Risk of dependence on recipients

A large part of revenues is generated by the Group through cooperation with organized and centrally-decisive retail chains. A possible lack of continuity of cooperation with customers may affect the amount of revenues. Some commercial agreements do not contain a strictly determined amount of estimated purchases that the recipient will make during the term of the contract. There is a risk that recipients will submit orders that deviate quantitatively from the monthly plans adopted by the Group. This may result in the inability to meet demand or incomplete use of production capacity, which will have an impact on the results.

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

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

Risk related to changes in raw material and material prices

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

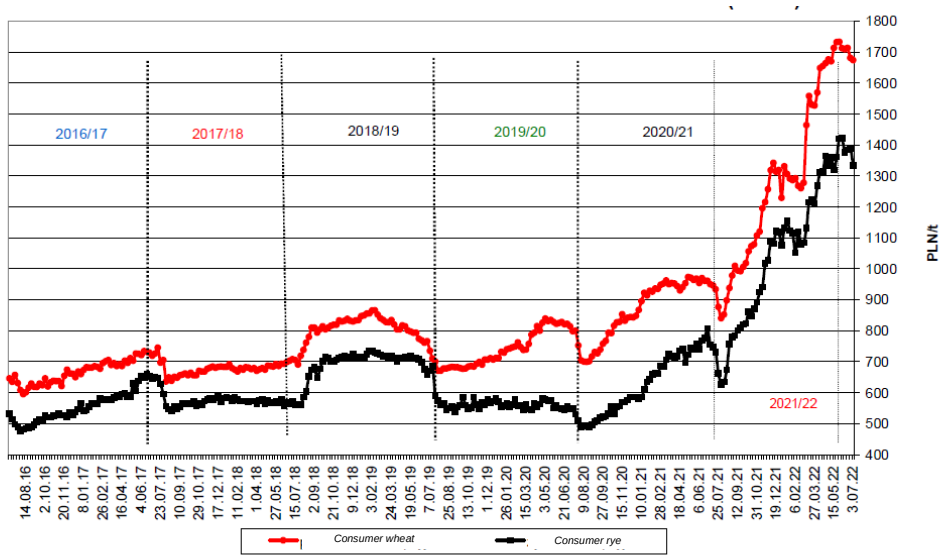
The purchase prices of soft wheat flours were continuously increasing throughout 2021. The price increases are also continued in 2022. The flour price from PLN 970 per 1 ton in April 2021 increased to PLN 2,500 per 1 ton at the end of the first quarter of 2022, reaching the level which has no equivalent in the previous years. According to the forecasts, high prices will remain on the cereals markets at least until mid-Q3, 2022 due to the war in Ukraine and blockage of export of wheat from the territory of Ukraine and Russia which is translated into an increased demand of the countries previously purchasing cereals from these markets.

Good crops in 2022 and successful harvest have calmed the market a little bit. However, the information on further drastic increase in prices of energy carriers, and thus fertilizers and plant protection products has made cereals producers very restrained when it comes to selling grain. Thus, the price of flour remains high.

High prices also remain on the durum wheat flour market – the prices of semolina are reaching an unprecedented level. It is predicted that before the next harvest of 2022/2023, demand for durum wheat, and thus semolina, may exceed the supply, which may lead to further price increases. Again, as in the case of soft flour, the signals of very good forecasts as regards the harvest, may have an impact on stabilizing the price of durum wheat flour in the next season. The only element that could effectively disrupt the price stability in the durum wheat marketis a significant increase in freight and energy carriers. Taking all this into accoumt, price stabilization at a high level is forecasted.

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

AVERAGE PURCHASE PRICES OF CONSUMER WHEAT AND RYE IN THE SEASONS 2016/17-2022/23 (PLN/t)



Source: Weekly report on the market for cereals, oilseeds and feed materials - Cereal market week 27/2022,
Sparks Polska

The prices of eggs and egg pulp in Q.4, 2021 were at a high but stable level of PLN 5.8-7.2 k per one ton of egg pulp (compated to PLN 3.7-4.6 k in Q.4, 2020). In the first months of 2022, due to, among others, an increase in costs connected with the breeding process, such as wages, electricity and fuel, and a war in Ukraine (suspension of egg exports following the destruction of farms as a result of the war), the purchase prices of egg pulp have increased by approx. 90% in the short time, which translated negatively into the profitability of egg

pasta production and forced the Group's companies to revise their trading conditions. In Q.2, 2022, egg prices remained at the high level of Q.1, 2022. Undoubtedly, it is greatly influenced by the war in Ukraine and significant increases in the prices of feed and energy carriers. There is a high risk that the above-mentioned trends will persist over a longer period in 2022.

Significant price increases also occur in the foil and cardboard packaging market. They are reaching 140% compared to the prices in Q.4, 2020. Alongside the price increases, there are also difficulties in the availabilty of foil and cardboard packaging and extended delivery times.

Stoczek Natura Sp. z o.o. is a manufacturer of fruit and vegetable preserves (including jams) and ready meals. The prices of fruit and vegetable The fruit and vegetable prices are highly dependent on the weather conditions. The Company cooperates with domestic fruit and vegetable suppliers, it also has an extensive database of foreign suppliers of key raw materials, which gives the Company greater opportunities to obtain cheap, good quality raw materials.

One of the key raw materials for Stoczek Natura Sp. z o.o. is meat. In 2021, the market of meat and meat raw materials was stable and balances. Throughout the year, the element shaping demand was the Covid-19 pandemic – reduced demand due to the fact that the catering market did not completely unlock in 2021, translated into more attractive meat prices. Russia's military attack on Ukraine in February 2022 caused a lot of perturbations on the raw material market. Meat prices increased by several dozens of percent because a very large part of the raw meat, previously the basis of production for the domestic market, has been trasferred to Ukraine, which significantly increased the prices of the entire meat components. It is forecast that high meat prices will continue throughout 2022, due to high demand and high production costs, which are constantly growing on the basis of the increasing prices of feed, fertilizer, fuel and energy.

Price increases of several percent in Q.1, 2022 also occurred in the market of most raw materials and packaging. Increased demand for processed products and simultaneously rising production costs are making both metal and glass packaging more expensive and there is no clear prospect of stabilization.

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

Risk connected with changes in the prices of energy carriers

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

In 2023, the first quarter will be crucial when difficulties are expected in the supply of heat carriers, i.e. gas and coal.The forecasted several price rises of the above-mentioned raw materials, as well as the concerns about limited availabilty, increase nervousness on the market and uncertainty about pricing policy in the long term. Without a settlement at EU and government level in terms of energy and gas prices, it will be very difficult to function on the market.

Dramatic year-on-year increases in energy prices will have a significant impact on business activity, and in the case of any difficulties to pass the cost increases on to the prices of the products and services, it cannot be excluded that some business people wii even decide to temporarily suspend their activities in order not to generate more losses.

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

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

Risk of variable legal and tax environment

The Polish legal and tax system is characterized by frequent changes, laws are significantly changed basically day to day (e.g. during the COVID-19 epidemic, after introducing the Polish Order, or after the outbreak of the war in Ukraine), which makes the activities of the companies, including the companies of the Makarony Polskie Group, burdened with a very high degree of uncertainty. This is a detrimental factor for business activity which involves a lot of risk.

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

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

Risk related to changes in exchange rates

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

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

The table presents the currency structure for given classes of financial instruments as at 30 June 2022:

Groups/categories of financial instruments	Balance sheet value as at 30.06.2022 PLN k	Currency exposure as at 30.06.2022 PLN k	EUR PLN k	USD PLN k
Financial assets				
Cash and cash equivalents	8,156	2,585	2,585	0
Trade receivables	32,589	328	328	0
Financial liabilities				
Trade liabilities	52,683	12,449	12,449	

The table presents the analysis of the sensitivity of the financial result to changes in exchange rates as at 30 June 2022:

Groups/categories of financial instruments	EUR		USD	
	5%	-5%	5%	-5%
	impact on the financial result PLN k		impact on the financial result PLN k	
Financial assets				
Cash and cash equivalents	129.3	- 129.3	0.0	0.0
Trade receivables (gross)	16.4	-16.4	-	-
Financial liabilities				
Trade liabilities	-622.5	622.5	-	-

Interest rate risk

Interest rate risk is the risk of incurring losses as a result of changes in market interest rates and changes in statutory interest rates. Both the amount of revenues and costs of the Company are sensitive to changes in the level of market interest rates

The Group finances its operations with loans, which increases its sensitivity to the risk caused by interest rate changes in both long-term and short-term financial liabilities.

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

As at 30 June 2022, the Group had a liability due to loans taken out, in the amount of PLN 28,561 k:

Currency	Interest	Loans balance	Including loans	
			Short-term	Long-term
PLN	WIBOR + bank's margin	28,561	11,332	17,229

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

The structure of financial instruments exposed to the risk of changes in interest rates as at 30 June 2022 is presented in the table below:

Groups/categories of financial instruments	Balance sheet value as at 30.06.2022 PLN k	Value at risk as at 30.06.2022 PLN k	WIBOR PLN k
Financial assets			
Cash in hand and at bank	8,156	-	-
Financial liabilities			
Bank loans	28,561	28,561	28,561
Other financial liabilities	1,275	1,275	1,275

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

Interest rate	Deviation assumptions (in percentage points) 30 June 2022		Value at risk as at 30.06.2022 PLN k	Impact on the financial result 30 June 2022 PLN k	
WIBOR	1%	-1%	28,561	- 285.6	285.6

Risk of insolvency of business partners

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

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

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

Selected financial data Makarony Polskie Group

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

- items of the statement of financial position have been converted at the average exchange rate announced by the National Bank of Poland as at the balance sheet date 30 June 2022, EUR 1= PLN 4.6806; 31 December 2021, EUR 1= PLN 4.5994
- items of the statement of comprehensive income and statement of cash flows have been converted at the exchange rate being the arithmetic average of the average rates set by the National Bank of Poland effective on the last day of each month of H1 2022 = PLN 4.6427 and at the end of each month of H1 2021 = PLN 4.5472.

Selected financial data	30 June 2022 (in PLN k)	30 June 2021 (in PLN k)	30 June 2022 (in EUR k)	30 June 2021 (in EUR k)
Net revenues from sale of products, services, goods and materials	148,170	82,068	31,915	18,048
Profit (loss) from continued operations	17,865	4,569	3,848	1,005
Gross profit (loss)	16,660	4,234	3,588	931
Net profit (loss) from continued operations	14,139	3,352	3,045	737
EBIT	17,865	4,569	3,848	1,005
EBITDA (EBIT + depreciation)	22,291	8,583	4,801	1,888
Net cash flows from operating activities	8,175	3,410	1,761	750
Net cash flows from investment activities	- 16,377	- 1,526	- 3,527	- 336
Net cash flows from financial activities	- 9,804	- 1,728	- 2,112	- 380
Total net cash flows	- 18,006	156	- 3,878	34
Total assets ***	242,458	205,044	51,801	44,581
Liabilities and provisions for liabilities ***	129,939	103,390	27,761	22,479
Long-term liabilities ***	47,981	49,395	10,251	10,739
Short-term liabilities ***	81,958	53,995	17,510	11,740
Equity ***	112,519	101,654	24,039	22,102
Share capital ***	33,120	27,750	7,076	6,033
Number of shares (units)	11,040,071	11,040,071	11,040,071	9,250,071
Weighted average number of shares (in units) during the current financial year	11,040,071	9,348,098	11,040,071	9,348,098
Profit/loss per ordinary share (in PLN/EUR) *	1.28	0.36	0.28	0.08
Book value per one share (in PLN/EUR)**	10.19	9.21	2.18	2.00

* Net profit/loss per ordinary share = net result/weighted average number of shares in the period
** Book value per one ordinary share = equity/number of shares at a given balance sheet date
*** Comparable data regarding the statement of financial position as at 31 December 2021

Condensed consolidated statements of comprehensive revenues

Makarony Polskie SA Group	01.01.2022-30.06.2022	01.01.2021-30.06.2021
Revenues from sales	**148,170**	**82,068**
Net revenues from sale of products and services	143,578	77,785
Net revenues from sale of materials and goods	4,592	4,283
Own cost	**116,299**	**66,661**
Production costs of products and services sold	112,313	62,857
Value of goods and materials sold	3,986	3,804
Gross profit (loss) ze sprzedaży	**31,871**	**15,407**
Costs of sales	13,454	9,877
General administrative costs	4,458	2,836
Other revenues	5,194	2,245
Other costs	1,288	370
Profit (loss) from continued operations	**17,865**	**4,569**
Financial revenues	7	51
Financial costs	1,212	386
Gross profit (loss)	**16,660**	**4,234**
Income tax	2,521	882
Profit (loss) from continued operations attributable to:	**14,139**	**3,352**
Shareholders of the parent Company	14,139	3,352
Basic net result per share in PLN	1.28	0.36
Diluted net result per share in PLN	1.28	0.36
Other total net income/loss		
Total net income attributable to:	**14,139**	**3,352**
Shareholders of the parent Company	14,139	3,352
Non-controlling shares		

Condensed consolidated statement of financial position

ASSETS	30 June 2022	31 December 2021	30 June 2021
FIXED ASSETS	**150,556**	**132,764**	**132,308**
Tangible fixed assets	134,354	116,269	115,201
Fixed assets - IFRS-16	3,043	3,291	3,649
Investment real estate	603	603	603
Goodwill	5,949	5,949	5,949
Other intangible assets	6,551	6,588	6,886
Long-term financial assets			
Assets for deferred income tax	1	0	0
Other long-term assets	55	64	20
CURRENT ASSETS	**91,902**	**72,280**	**46,294**
Inventories	40,953	21,382	23,068
Short-term receivables	40,364	23,885	22,338
Corporate income tax receivables	508	554	0
Borrowings granted	0	0	0
Cash and cash equivalents	8,156	26,156	564
Other short-term assets	374	303	324
ASSETS FOR SALE	**1,547**	**0**	**0**
TOTAL ASSETS	**242,458**	**205,044**	**178,602**

LIABILITIES	30 June 2022	31 December 2021	30 June 2021
EQUITY	**112 519**	**101,654**	**88,555**
Share capital	33,120	27,750	27,750
Supplementary capital	53,521	43,091	38,490
Reserve capital	12,000	24,888	12,000
Revaluation capital	38	0	0
Retained profits/losses (profit/loss from previous years)	13,840	5,925	10,315
LIABILITIES	**47,981**	**49,395**	**39,230**
Provision for deferred income tax	6,490	3,212	3,297
Long-term bank loans and borrowings	17,229	20,522	8,610
Other long-term financial liabilities	93	465	837
Provision for pensions and similar (long-term)	487	400	398
Revenues of future periods - long-term	20,500	21,228	22,057
Long-term financial liabilities - leasing	3,182	3,568	4,031
SHORT-TERM LIABILITIES	**81,958**	**53,995**	**50,817**
Short-term bank loans and borrowings	11,332	15,238	15,277
Other short-term financial liabilities	1,371	744	651
Short-term financial liabilities - leasing	1,227	1,391	1,774
Financial liabilities due to dividend	3,312	0	0

Condensed consolidated statement of financial position

Other short-term liabilities	60,693	33,409	28,506
Corporate income tax liabilities	234	311	30
Revenues of future periods - short-term	1,589	1,584	3,042
Provision for pensions and similar (short-term)	1,528	1,251	1,263
Other short-term provisions	672	67	274
TOTAL LIABILITIES	**129,939**	**103,390**	**90,047**
TOTAL LIABILITIES	**242,458**	**205,044**	**178,602**

Condensed consolidated statement of cash flows

Makarony Polskie SA Group	01.01.2022 30.06.2022	01.01.2021- 30.06.2021
Profit/loss before tax	**16,660**	**4,234**
Adjustments by items:		
Depreciation	4,426	4,014
Profits/losses on exchange differences	- 6	2
Interest expense and income	895	284
Profit/loss from investing activities	5	- 26
Change in provisions	970	- 29
Change in inventories	-19,571	1,059
Change in receivables	-15,445	328
Change in liabilities and accruals	27,089	- 3,436
Other adjustments	- 4,750	-1,127
Total adjustments	**- 6,387**	**1,069**
Dividend proceeds	0	0
Corporate income tax paid/reimbursed	- 2,098	- 1,893
Net cash flows from operating activities	**8,175**	**3,410**
Cash flows form investing activities		
Proceeds from sales of fixed tangible assets and intangible assets	21	482
Proceeds from sales of financial assets	0	0
Expenses for the acquisition of fixed tangible assets and intangible assets	- 4,035	- 2,008
Expenses for the acquisition of subsidiaries	-12,363	
Interest proceeds	0	0
Expenses for the acquisition of financial assets	0	0
Proceeds from loans granted	0	0
Borrowings granted	0	0
Net cash flows from investing activities	**-16,377**	**- 1,526**
Cash flows from financial activities		
Proceeds from loans and borrowings	1,168	1,207
Proceeds from the issue of debt securities	0	0
Repayment of loans and borrowings	- 8,367	- 4,212
Payment of liabilities under financial lease agreements	- 939	- 860
Interest paid	- 895	- 284
Payment of other financial liabilities	-771	0
Other financial revenues - subsidy	0	2,421
Net cash flows from financial activities	**- 9,804**	**- 1,728**
Increase/decrease in cash and cash equivalents	- 18,006	156
Cash, cash equivalents and overdrafts at the beginning of the period	**26,156**	**410**
Foreign exchange gains/losses on the valuation of cash, cash equivalents and overdrafts	6	- 2
Cash, cash equivalents and overdrafts at the end of the period - including	**8,156**	**564**
with limited availability	**4,748**	**0**

Condensed statement of changes in consolidated equity

For the period from 1 January 2022 to 30 June 2021

	Share capital	Supplementary capital	Reserve capital	Revaluation capital	Profits/losses retained	Total
Balance as at 1 January 2022	27,750	43,091	24,888	0	5,925	101,654
Distribution of profit/loss coverage	0	2 912	0	0	- 2 912	0
Profit distribution - dividend payment	0	0	0	0	- 3,312	- 3,312
Costs of issuing series F shares	0	0	0	0	0	0
Issue of series F shares	5,370	7,518	-12,888	0	0	0
Other comprehensive income	0	0	0	0	0	0
Increase in the period	0	0	0	38	0	38
Net result after H1 2022	0	0	0	0	14,139	14,139
Balance as at 30 June 2022	33,120	53,521	12,000	38	13,840	112,519

For the period from 1 January 2021 to 31 December 2021

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

For the period from 1 January 2021 to 30 June 2021

	Share capital	Supplementary capital	Reserve capital	Revaluation capital	Profits/losses retained	Total
Balance as at 1 January 2021	27,750	38,490	12,000	0	6,963	85,203
Distribution of profit/loss coverage	0	0	0	0	0	0
Profit distribution - dividend payment	0	0	0	0	0	0

Condensed statement of changes in consolidated equity

Costs of issuing series F shares	0	0	0	0	0	0
Other comprehensive income	0	0	0	0	0	0
Net result after H1 2021	0	0	0	0	3,352	3,352
Balance as at 30 June 2021	27,750	38,490	12,000	0	10,315	88,555

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.

	01.01.2022-30.06.2022	01.01.2021-30.06.2021
Revenues from sales of products	141,116	74,587
Revenues from sales of services, including:	2,462	3,198
- service production	862	879
- transportation services		
- for lease, storage	1,553	2,306
- other	47	13
Revenues from sales of materials	1,868	2,521
Revenues from sales of goods	2,724	1,762
Total	**148,170**	**82,068**

In the first half of 2022, the Group recorded an increase in sales by PLN 66.1 m compared to the first half of 2021 and amounted to PLN 148.2 m.

Operating segments

In the first half of 2022, the Makarony Polskie Group carried out sales according to the following product groups, achieving the following revenues on this account:

	For the period from 01.01-30.06.2022	For the period from 01.01 - 30.06.2021
Pasta	121,141	58,368
Meat and vegetable preserves	18,894	14,170
Vegetable and fruit preserves*	4,616	4,652
Other	3,519	4,878
Total	148,170	82,068

Basic information about operating segments:

H1 2022	Pasta	Meat and vegetable	Vegetable and fruit preserves	Other	Total segments

		preserves			
Revenues					
Sales to external customers	121,141	18,894	4,616	3,519	148,170
Sales between segments					
Total revenues of the Group	121,141	18,894	4,616	3,519	148,170
Costs					
Segment costs	94,436	15,351	4,194	2,318	116,299
Profits or losses of segments (gross result on sales)	26,705	3,543	422	1,201	31,871

H1 2021	Pasta	Meat and vegetable preserves	Vegetable and fruit preserves	Other	Total segments
Revenues					
Sales to external customers	58,368	14,170	4,652	4,878	82,068
Sales between segments					
Total revenues of the Group	58,368	14,170	4,652	4,878	82,068
Costs					
Segment costs	47,203	12,368	4,392	2,698	66,661
Profits or losses of segments (gross result on sales)	11,165	1,802	260	2,180	15,407

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

The sales revenues of the Makarony Polskie Group in the first half 2022 amounted to PLN 148.2 m and were by approx. PLN 66.1 m higher than in the corresponding period of 2021.

Sales revenues in the pasta category increased in the analyzed period by approx. PLN 62.8 m to the amount of approx. PLN 121.14 m. A leap in sales by approx. 107.5% was caused

mainly by the following factors which occurred in the discussed period:

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

When comparing the first half of 2022 to the corresponding period in 2021, the gross sales result in the pasta segment increased by approx. PLN 15.54 m, i.e. approx. 139.2%.

The sales of meat and vegetable preserves increased in the analyzed period by approx. PLN 4.7 m to the amount of approx. PLN 18.9 m. The growth by approx. 33.3% was caused by:
a reduction in the number of indices produced in order to focus on products with greater market potential and to improve the profitability of this segment,

- panic buying connected with the outbreak of the war in Ukraine,
- increase in the prices of the products offeref forced by a shock increase in the level of producer inflation not seen since the Second World War.

When comparing the first half of 2022 to the corresponding period in 2021, the gross sales result in the pasta segment increased by approx. PLN 1.7 m, i.e. approx. 96.6%.

The sales in the category of vegetable and fruit preserves dropped in the analyzed period by approx. PLN 36 k to the amount of approx. PLN 4.6 m. The drop was caused by a reduction of a number of indices manufactured, in order to focus on products with greater market potential and improve the profitability of that segment.

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	01.01.2022-30.06.2022	01.01.2021-30.06.2021

Country	127,872	74,202
Exports, including:	20,298	7,866
- European Union countries	4,036	2,564
- other countries	16,262	5,302
Total	148,170	82,068

In the first half of 2022, the value of sales amounted to approx. PLN 127.87 m in the domestic market and approx. PLN 20.30 m in exports. In the corresponding period of 2021, those figures were approx. PLN 74.20 m and approx. PLN 7.87 m, respectively.

Other operating revenues and expenses

OTHER REVENUES

For the period	01.01.2022-30.06.2022	01.01.2021-30.06.2021
State subsidies	777	2,065
Profit on sale of tangible fixed assets	0	26
Reversal of impairment losses on receivables	0	48
Reversal of impairment losses on inventory	239	17
Sale of scrap and waste	14	53
Profit on occasional acquisition	4,103	0
Refund of court and bailiff fees	2	2
Compensation and complaints	54	32
Reimbursement of social security contributions	4	2
Other	1	0
Total	**5,194**	**2,245**

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. The agreement for the acquisition of shares in the SAS company provided that the seller would receive from the Company a purchase price surcharge in the amount of 50% of the net profit generated by SAS in the period from 2 November 2021 to 31 December 2021, shown in the financial statements of that company prepared as at 31 December 2021, verified by a statutory auditor. Due to the fact that SAS company did not generate any net profit in the above-mentioned period, the seller is not entitled to a purchase price surcharge. 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	01.01.2022 - 30.06.2022	01.01.2021 - 30.06.2021
Loss from sale of fixed tangible assets	5	241
Creation of provisions	24	
Write-down of receivables	133	23
Write-down of inventories	175	0
Donations	7	7
Penalties and fines	14	6
Court and bailiff fees, adjudicated costs	21	
Advertising sponsorship	57	3
Liquidation of damaged and expired inventories	49	85
R&D costs	789	0
Costs of insured repairs	11	0
Other	3	5
Total	**1,288**	**370**

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 revenues and expenses

FINANCIAL REVENUES

For the period	01.01.2022-30.06.2022	01.01.2021-30.06.2021
Interest income, including:	7	0
- interest on loans	0	0
- interest on receivables	7	0
Profits on exchange differences	0	51
Profit on disposal of investments - shares	0	0
Other		
Total	7	51

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	01.01.2022-30.06.2022	01.01.2021-30.06.2021
Interest costs, including those relating to:	899	304
- bank loans	691	202
- factoring and leasing costs	131	36
- IFRS-16 interest costs	73	47
- other	4	19
Other financial costs, including:	313	82
- loss due to negative exchange rate differences	146	0
- guarantee	17	25
- discount and bank commission costs	66	57
- other financial costs	84	0
Total	**1,212**	**386**

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	01.01.2022-30.06.2022	01.01.2021-30.06.2021
Net profit/loss per share	1.28	0.36
Book value per share in PLN (according to data as of 30.06.2022 and data as of 31.12.2021)	10.19	9.21

For the period	01.01.2022-30.06.2022	01.01.2021-30.06.2021
Net profit/loss from continuing operations attributable to shareholders of the parent company	14,139	3,352
Profit/loss on discontinued operations attributable to shareholders of the parent company		
Net profit/loss attributable to shareholders of the parent company	14,139	3,352
Net profit/loss attributable to ordinary shareholders applied to calculate diluted profit/loss per share	not applicable	not applicable

For the period	01.01.2022-30.06.2022	01.01.2021-30.06.2021
Weighted average number of issued ordinary shares applied to calculate basic earnings/loss per share	11,040,071	9,250,071
Impact of dilution	not applicable	not applicable
Adjusted weighted average number of ordinary shares applied to calculate diluted profit/loss per share	not applicable	not applicable

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

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

In the parent Company in H1 2022, there were no factors diluting the share capital.

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

Share capital

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

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

* In accordance with §1, paragraph 11 of the Resolution No. 18 of the Annual General Meeting of Makarony Polskie SA of 7 July 2021 on increasing the share capital by way of issuing series F bearer shares with exclusion of pre-emptive right and on amending the Company's Articles of Association, the series F shares will participate in the dividend from 1 January 2021, i.e. starting from the profit distributions for the financial year 2021, if they are registered in the securities depository up to and including the dividend date. It shares are registered after the dividend data, they will participate in the profit distribution for the financial year in which the shares are registered.

The changes in the share capital result from the share purchase agreements concluded in the period from 24 November 2021 to 30 November 2021. Series F shares were taken up solely in exchange for cash contributions which were paid into the Company's bank account.

On 4 March 2022, in the register of business entities of the National Court Register, an increase in the share capital of Makarony Polskie SA was registered by way of issuing 1,790,000 series

F bearer shares, i.e. increase in the share capital by the amount of PLN 5,370,000 to the amount of PLN 33,120,213.

Information on changes in estimates related to the consolidated financial statements

CHANGES DUE TO PROVISIONS

Changes in provisions H1 2022	Balance as at 01.01.2022	Balance as at 03.01.2022 – taking control of SAS	Creation	Use and release	Balance at the end of the period
For retirement and similar benefits, including:	1,651	352	96	84	2,015
a) long-term	400	158	3	74	487
b) short-term	1,251	194	93	10	1,528
Other provisions, including:	67	0	672	67	672
b) other	67	0	672	67	672
Total	1,718	352	768	151	2,687

2021	Balance as at 01.01.2021	Creation	Use and release	Balance at the end of the period
For retirement and similar benefits, including:	1,904	69	322	1,651
a) long-term	398	2	0	400
b) short-term	1,506	67	322	1,251
Other provisions, including:	60	67	60	67
- other	60	67	60	67
Total	**1,964**	**136**	**382**	**1,718**

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 provisions as at 30.06.2022	Balance as at 01.01.2022	Balance as at 03.01.2022 – taking control of SAS	Creation	Use and release	Balance at the end of the period
Asset for deferred income tax	493	209	347	169	880
Provision for deferred income tax	3,705	3,072	990	396	7,371
Asset/Provision after compensation	3,212				6,491

Changes in provisions as at 31.12.2021	Balance as at	Creation	Use and release	Balance at the end of the period
Asset for deferred income tax	531	169	207	493
Provision for deferred income tax	3,717	249	261	3,705
Asset/Provision after compensation	3,186			3,212

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 2022 a deferred tax provision in the amount of PLN 984 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 provisions as at 30.06.2022	Balance as at 01.01.2022	Balance as at 03.03.2022 – taking control of SAS	Creation	Use and release	Balance at the end of the period
Write-downs of receivables	541	0	133	0	674
Write-downs of inventories	316	138	175	239	390
Write-downs of tangible fixed assets	1,356	0	0	42	1,314
Write-downs of intangible assets	3,420	0	0	0	3,420

Changes in provisions as at 31.12.2021	Balance as at 01.01.2021	Creation	Use and release	Balance at the end of the period
Write-downs of receivables	535	54	48	541
Write-downs of inventories	210	316	210	316
Write-downs of tangible fixed assets	1,389	63	96	1,356
Write-downs of intangible assets	3,160	260	0	3,420

The Group makes a write-down of assets. During the first half of 2022, 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 30.06.2022	As at 31.12.2021
up to 1 year	11,332	15,238
More than one year	17,229	20,522
Total	**28,561**	**35,760**

LIABILITIES FROM FINANCE LEASING CONTRACTS

	Total present value of minimum fees	
	as at 30.06.2022	as at 31.12.2021
up to 1 year	466	681
within 1 to 5 years	809	895
Total	**1,275**	**1,576**

As at 30 June 2022, the Group's companies have fixed assets used under leasing agreements. The carrying amount of machinery and equipment, cars and other fixed assets used under financial leasing agreements as at 30 June 2022 was PLN 1,795 k, and as at 31 December 2021 it amounted to PLN 2,588 k.

LIABILITIES FROM FINANCE LEASING CONTRACTS - IFRS-16

	Total present value of minimum fees	
	as at 30.06.2022	as at 31.12.2021
up to 1 year - lease	756	706
up to 1 year – Perpetual usufruct right to land	4	4
within 1 to 5 years - lease	1,181	1,486
in the period over one year - Perpetual usufruct right to land	1,192	1,187
Total	3,133	3,383

As at 1 January 2019, Makarony Polskie SA introduced disclosures to fixed assets due to the application of IFRS -16, fixed assets used under leasing agreements.

The balance sheet value of fixed assets due to the lease of premises and the right of perpetual usufruct of land as at 30 June 2020 was PLN 3,043 k, and as at 31 December 2021 it amounted to PLN 3,291 k.

SHORT-TERM FINANCIAL OBLIGATION - POLISH DEVELOPMENT FUND SUBSIDY

	as at 30.06.2022	as at 31.12.2021
up to 1 year	93	744
within 1 to 5 years	1,371	465
Total	**1,464**	**1,209**

As part of the financial shield, the Makarony Polskie SA Group received financial support in the form of subsidies from the Polish Development Fund in the amount of PLN 2,944 k. After meeting the conditions specified in the program, the beneficiary will be partially released from reimbursement (possibility up to 75%).

Dividends paid and proposed for payment

Makarony Polskie SA did not pay any dividends in the first half of 2022 and until the publication of this report.

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

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

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

On 30 June 2022, the Annual General Meeting of Makarony Polskie SA adopted the resolutions on the approval of the financial statements for the financial year 2021 and net profit distribution, including a dividend payment in the amount of PLN 0.30 gross per share. Due to the error in calculation regarding a total value of the dividifent paid from the Company's net profit for 2021, in the resolution adopted by the General Meeting on 30 June 2022, on 1 August 2022 the Extraordinary General Meeting clarified a total value of the dividend paid for 2021 and indicated a correct total value of the dividend, i.e. PLN 3,312,021.30.

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

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

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

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

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

The total value of remuneration paid to members of the Management Board of Makarony Polskie SA in the first half of 2022 was PLN 638 k, in the same period of 2021 it was the amount of PLN 442 k.

Remuneration of the members of the Supervisory Board of Makarony Polskie SA in the first half of 2022 amounted to PLN 89 k, in the same period of 2021 it was the amount of PLN 89 k.

Members of the Management Board and Supervisory Board of Makarony Polskie SA did not receive any remuneration from subsidiaries. The President of the Management Board of Makarony Polskie SA did not receive any remuneration for performing the function of the President of the Management Board in MP Trade Sp. z o.o. in the first half of 2022.

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

Settlement between affiliates and subsidiaries

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

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

Affiliate	Sales to affiliates - comprehensive income		Purchases from affiliates	
	For the period from 01.01 do 30.06.2022	For the period from 01.01 do 30.06.2021	For the period from 01.01 do 30.06.2022	For the period from 01.01 do 30.06.2021
Parent company-Makarony Polskie S.A.	224	147	26,668	12,723
from/to Stoczek Sp. z o.o.	150	140	16,989	12,716
from/to MP Trade Sp. z.o.o.	7	7	1,207	7
PPH „SAS" Sp. z o.o.	67	0	8,472	0

Affiliate	Receivables from affiliates		Liabilities towards affiliates	
	As at 30.06.2022	As at 30.06.2021	As at 30.06.2022	As at 30.06.2021
Parent company - Makarony Polskie S.A.	102	83	4,410	2,237
- from/to Stoczek Sp. z o.o.	92	82	2,693	1,908
from/to MP Trade Sp. z.o.o.	2	1	443	329
PPH „SAS" Sp. z o.o.	8	0	1,274	0

Settlements between subsidiaries

Subsidiaries	Sales between subsidiaries - total revenues		Purchases between subsidiaries	
	For the period from 01.01 to 30.06.2022	For the period from 01.01 to 30.06.2021	For the period from 01.01 to 30.06.2022	For the period from 01.01 to 30.06.2021
Total subsidiary	2	5	2	5
- from/to Stoczek Sp. z .o.o.	2	2	0	3
- from/to MP Trade Sp. z .o .o.	0	3	2	2
- from/to PPH „SAS" Sp. z o.o.	0	0	0	0

Subsidiaries	Mutual receivables between subsidiaries		Mutual liabilities between subsidiaries	
	As at 30.06.2022	As at 30.06.2021	As at 30.06.2022	As at 30.06.2021
Total subsidiary	0	0	0	0
- from/to Stoczek Sp. o.o.	0	0	0	0
- from/to MP Trade Sp. z.o.o.	0	0	0	0
- from/to PPH „SAS" Sp. z o.o.	0	0	0	0

Information on planned share issues

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

Series F shares issue

In 2021 the Company carried out a private placement, exluding the pre-emptive right, 1,790,000 series F ordinary bearer shares with a nominal value of PLN 3.00 each i cenie emisyjnej 7,20zł każda. A total value of that placement was PLN 12,888,000.

The proceeds from the issue of series F shares have been mainly used to partially finance the acquisition project carried out by the Company, aimed at taking over a competitive pasta manufacturer and achieving the effects of production synergy. The Company also plans to allocate some of the funds raised to the implementation of pro-environmental projects, such as reducing the company's "carbon footprint" by switching to "green energy" and installing photovoltaic panels.

Authorization for the Management Board to purchase own shares of Makarony Polskie SA

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 and events material for the Group's operations

Acquisition finalization

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. The agreement for the acquisition of shares in the SAS company provided that the seller would receive from the Company a purchase price surcharge in the amount of 50% of the net profit generated by SAS in the period from 2 November 2021 to 31 December 2021, shown in the financial statements of that company prepared as at 31 December 2021, verified by a statutory auditor. Due to the fact that SAS company did not generate any net profit in the above-mentioned period, the seller is not entitled to a purchase price surcharge. 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.

The source of financing the share acquisition was partially own funds of Makarony Polskie SA, partially funds from a bank loan, and partially also funds obtained from an increase in the Company's share capital through the issue of series F shares.

Disclosures regarding the acquisition of Przedsiębiorstwo Produkcyjno-Handlowe "SAS" Andrzej Świderski Sp. z o.o.

Przedsiębiorstwo Produkcyjno-Handlowe "SAS" Andrzej Świderski Sp. z o.o. was acquired on 3 January 2022 for the amount of approx. PLN 17.01 m. The Makarony Polskie Group acquired 100% of shares in the company. The acquisition was partially financed from the funds obtained as a result of the increase in the Company's share capital through the issue of series F shares in the amount of PLN 5.25 m, and partially from the investment loan in the amount of PLN 11.76 m.

The basic reason for purchasing PPH "SAS" Andrzej Świderski Sp. z o.o. the Makarony Polskie Group's development by way of increasing its economic potential based on the acquisition of the competitive company with a similar business profile, and thus, increasing production capacities. The additional production capacities of the plant taken over will allow for selling through the Makarony Polskie Group approximately 50 k tons of a finished product, with the possibility of expanding the acquired plant with additional production lines in the future. This will result in a better competitie position on the nation-wide pasta sales market, in particular due to more favorable conditions for the purchase of raw materials (flour, egg pulp) for pasta production thanks to market scale effect.

There were three main factors in favor of the takeover:

1. good price - PPH „SAS" Andrzej Świderski Sp. z o.o. was a family business run on the basis of an entry in the Business Activity Central Register and Information Record, in which there was a problem of generational succession as the entrepreneur running that business reached the retirement age in 2021, while his descendants were not interested in running the business. This created conditions favourable for negotiating a fair price based on the Company' market value without taking into account the sentimental value for the seller;

2. The speed and efficiency of increasing the Group's production capacities - PPH „SAS" Andrzej Świderski Sp. z o.o is a well-organized production enterprise. The manner of running the plant is very similar to the standards implemented in the Makarony Polskie Group. The purchase of SAS plant allowed for obtaining a fully functioning plant with a well-trained staff, which significantly reduces the costs and time that would be required to achieve comparable results if the Group was to expand its capacity in an organic

manner;

3. Acquisition of a significant competitor and its clients – the purchase of zakup PPH „SAS" Andrzej Świderski Sp. z o.o. allowed the Group to acquire new clients and to maintain balance on the pasta market, undertsood as not increasing the production capacities on the pasta market which could lead to price pressure.

As at 30 June 2022, the Makarony Polskie Group, comprising PPH „SAS" Andrzej Świderski Sp. z o.o., generated approx. PLN 148.17 m of revenues and profit at a level of approx. PLN 14 m. Since the date of acquisition, PPH „SAS" Andrzej Świderski Sp. z o.o. has generated revenues of PLN 38.3 m and the profit of PLN 3.4 m. Due to the fact that the acquisition took place on 3 January 2022, it was assumed that the above-mentioned figures reflect the revenues and net profit of the company for the first half of 2022.

As of 1 January 2022, SAS changed its accounting policy and introduced the International Financial Reporting Standards. It resulted in a valuation of non-current assets at fair value which showed an increase in the value of fixed assets valued at market prices. As a result of the acquisition transaction of SAS company, the Makarony Polskie Group generated an extraordinary profit of PLN 4.1 m.

In the balance sheet of Makarony Polskie SA, on the side of assets, under "cash", on the side of liabilities, under "other liabilities", and in the statement of cash flows under "restricted cash", there is an amount of approx. PLN 4.7 m. These are funds in an escrow account used as collateral for the purchase transaction of PPH „SAS" Andrzej Świderski Sp. z o.o. On the day the seller of the company presents documents certifying that all formalities resulting from the company sale agreement have been settled, these funds will be transferred to his account.

Below there is a statement of financial position of PPH "SAS" Andrzej Świderski Sp. z o.o.:

ASSETS (in PLN)	3 January 2022
FIXED ASSETS	**19,638,288.84**
Intangible assets	-
Fixed tangible assets	19,638,288.84
Long-term receivables	-
Long-term investments	-
Long-term accruals	-
CURRENT ASSETS	**10,400,051.27**
Inventories	3,053,653.85
Short-term receivables	5,795,585.18
Short-term investments	118,010.44

Short-term accruals	23,982.00
Assets for sale	1,408,819.80
TOTAL ASSETS	**30,038,340.11**

LIABILITIES (in PLN)	3 January 2022
EQUITY (FUND)	**21,212,763.07**
Share capital (fund)	10,773,000.00
Called-up share capital not paid (negative value)	-
Own shares (negative value)	-
Supplementary capital (fund)	-
Revaluation reserve (fund)	12,553,376.62
Other reserve capitals (funds)	-
Profit (loss) from previous years	- 1,768,449.36
Net profit (loss)	- 345,164.19
Net profit write-offs during the financial year (negative value)	
LIABILITIES AND PROVISIONS FOR LIABILITIES	**8,825,577.04**
Provisions for liabilities	3,216,602.06
Long-term liabilities	495,733.22
Short-term liabilities	5,059,520.07
Accruals	53,721.69
TOTAL LIABILITIES	**30,038,340.11**

In the period from 3 January 2022 to 30 June 2022, Przedsiębiorstwo Produkcyjno-Handlowe "SAS" Andrzej Świderski Sp. z o.o. generated the following revenues and net profit:

(in PLN)	from 3 January 2022 to 30 June 2022
Net revenues from sales of products, goods and materials, including	38,288,394.10
Net profit	3,582,818.40

Signing a letter of intent between Makarony Polskie SA and KSG Agro SA

In July 2022, a letter of intent was signed between the Company and KSG Agro SA ("Letter of intent"), concerning the determination of the principles of establishing business cooperation

by the parties in the field of trade in rapeseed and sunflower oils and grains, as well as cooperation in other areas of agricultural production.

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

The letter of intent does not constitute a binding agreement, but only expresses the will to start talks on mutual cooperation of the parties within the scope and on the terms set out therein.

The validity period of the Letter of Intent referred to above has not been specified.

Information on concluded and terminated loan and factoring agreements

LONG- AND SHORT-TERM LOANS AND BORROWINGS

	30.06.2022	31.12.2021
- long-term part	17,229	20,522
- short-term part	11,332	15,238
Total	**28,561**	**35,760**

The status of loan and factoring agreements in effect as at 30 June 2022, for which Makarony Polskie SA was a party to the agreements, is presented in the tables below:

Overdraft in Santander Bank Polska SA

Loan terms and conditions	30 June 2022
Loan contractual value	PLN 5,000 k
Loan period	18.10.2013 – 31.05.2023
Interest rate	WIBOR 1M + the bank's margin that does not differ from the standards applied by the bank
Loan balance	PLN 233 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.

During the first half of 2022, Makarony Polskie SA concluded an annex to the overdraft facility agreement with Santander Bank Polska which:

- exdends the liability repayment date from 31 May 2022 to 31 May 2023;
- adjusts the margin to current market conditions;
- makes the Company's obligations toward the Bank consistent with the obligations resulting from other agreements.

– Investment loan at Santander Bank Polska SA

Loan terms and conditions	30 June 2022
Loan contractual value	PLN 13,849 k
Loan period	18.10.2013 – 30.12.2023
Interest rate	WIBOR 3M + the bank's margin that does not differ from the standards applied by the bank
Loan balance	PLN 1,989 k
Repayment schedule	The loan will be repaid in 49 monthly installments in the following amounts: 48 installments of PLN 105 k each and the last 49 equalizing installments in the amount of PLN 204 k.
Loan collateral	– joint mortgage up to PLN 17,000 on the following real estates: a) KW No. RZ1Z/00076860/5 in Rzeszów and KW No. PL1P/00094893/6 in Płock, together with the assignment of rights under the real estate insurance policy, b) KW no. PL1P/00097530/5, KW no. PL1P/00114158/9 and KW no. PL1P/00097363/3 (on the shares held) in Płock; – registered pledge on fixed assets (production lines in the plant in Rzeszów) along with the assignment of rights under the insurance policy for the subject-matter of the pledge, – blank promissory note issued by the Company together with a promissory note declaration, – civil law surety of Stoczek Natura Sp. z o.o., – declaration on submission to enforcement made pursuant to Article 777 of the Code of Civil Procedure, in the form of a notarial deed.

– EU investment loan at Santander Bank Polska SA

Loan terms and conditions	30 June 2022

Loan contractual value	PLN 12,121 k
Loan period	07.02.2017 - 28.12.2023
Interest rate	WIBOR 3M + the bank's margin that does not differ from the standards applied by the bank
Loan balance	PLN 2,080 k
Repayment schedule	The loan will be repaid in 37 monthly installments, in the following amounts: 36 installments in the amount of PLN 50 k, 37th installment PLN 9,061 k, the received EU refinancing will reduce the balloon installment
Loan collateral	– joint mortgage up to PLN 18,200 on the following real estates: a) KW No. RZ1Z/00076860/5 in Rzeszów and KW No. PL1P/00094893/6 in Płock, together with the assignment of rights under the real estate insurance policy, b) KW no. PL1P/00097530/5, KW no. PL1P/00114158/9 and KW no. PL1P/00097363/3 (on the shares held) in Płock; – registered pledge on a semi-industrial line for trials and tests along with instrumentation, along with the assignment of rights under the insurance policy for the subject-matter of the pledge, – blank promissory note issued by the Company together with a promissory note declaration, – declaration on submission to enforcement made pursuant to Article 777 of the Code of Civil Procedure, in the form of a notarial deed.

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

– EU investment loan at Santander Bank Polska SA

Loan terms and conditions	30 June 2022
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 640 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".

– Revolving loan in Santander Bank Polska SA

Loan terms and conditions	30 June 2022
Loan contractual value	3 000 tys. zł
Loan period	30.09.2019 - 30.09.2022
Interest rate	WIBOR 1M + the bank's margin that does not differ from the standards applied by the bank
Loan balance	PLN 273 k
Repayment schedule	The loan will be repaid in 33 monthly installments starting from 31 January 2020 in the amount of PLN 0.09 m
Loan collateral	– joint mortgage up to PLN 4,500 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 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, – declaration on submission to enforcement made pursuant to Article 777 of the Code of Civil Procedure, in the form of a notarial deed.

– Investment loan at Santander Bank Polska SA

Loan terms and conditions	30 June 2022

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 4,156 k
Repayment schedule	The loan will be repaid in 43 equal monthly installments in the amount of 102 k each
Loan collateral	– *de minimis* guarantee in the amount of 80% of the Loan amount; – declaration on submission to enforcement made pursuant to Article 777 of the Code of Civil Procedure, in the form of a notarial deed. – blank promissory note issued by the Company together with a promissory note declaration, as collateral for the *de minimis* guarantee.

During the first half of 2022, Makarony Polskie SA concluded an annex to the investment loan agreement with Santander Bank Polska SA atimed at:

- extension of the loan availability period,
- change of loan repayment schedule.

– Revolving loan in Santander Bank Polska SA

Loan terms and conditions	30 czerwca 2022 roku
Loan contractual value	PLN 1,700 k
Loan period	10.06.2021 – 31.05.2023
Interest rate	WIBOR 1M + the bank's margin that does not differ from the standards applied by the bank
Loan balance	PLN 1,700 k
Repayment schedule	once on the liability maturity date
Loan collateral	– *de minimis* guarantee in the amount of 80% of the Loan amount; – declaration on submission to enforcement made pursuant to Article 777 of the Code of Civil Procedure, in the form of a notarial deed. – blank promissory note issued by the Company together with a promissory note declaration, as colateral for the *de minimis* guarantee.

– Investment loan at Santander Bank Polska SA

Loan terms and conditions	30 June 2022
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 11,616 k
Repayment schedule	The loan will be repaid in 82 monthly installments in the following amounts: 81 installments of PLN 144 k each and the last 82nd equalizing installment in the amount of PLN 96 k.
Loan collateral	– – a contractual joint mortgage up to the amount of PLN 18,000 k on the following real estates: KW No. OL1S/00032815/5, KW No. OL1S/00039349/6, KW No. OL1S/00044965/8 in Korpele together with the assignment of rights under the real estate insurance policy; – registered pledge on 100% of shares in PPH SAS Andrzej Świderski Sp. z o.o.; – accession to debt by PPH SAS Andrzej Świderski Sp. z o.o.; – blank promissory note issued by the Company together with a promissory note declaration, – declaration of the Company and SAS on submission to enforcement made pursuant to Article 777 of the Code of Civil Procedure, in the form of a notarial deed.

During the first half of 2022, Makarony Polskie SA and a subsidiary Przedsiębiorstwo Produkcyjno-Handlowe „SAS" Andrzej Świderski Sp. z o.o., performed actions establishing future collateral to the invesetment loan agreement at Santander Bank Polska SA, i.e.:

- SAS entered into an agreement with the bank for the unconditional accession to the debt of Makarony Polskie SA resulting from the investment loan agreement and made a declaration on submission to enforcement made pursuant to Article 777 of the Code of Civil Procedure up to the amount of PLN 18.0 m, it also entered into an agreement for a contractual joint mortgage up to the amount of PLN 18.0 m on the real estate of SAS company located in Korpele together with an agreement for the assignment of receivables under the insurance contract for buildings and structures on the above property,
- Makarony Polskie SA, as the sole shareholder of the SAS company, entered into a registered pledge agreement with the bank for up to the amount of PLN 18.0 m on 107,730 shares in the SAS company, with a nominal value of PLN 10.773 m, representing 100% of the share capital of that company and 100% of the votes at the Shareholders' Meeting of that company.

During the first half of 2022, Makarony Polskie SA concluded an annex to the investment loan agreement with Santander Bank Polska SA, as a result of which a loan repayment

schedule have changed, in connection with the use of the loan amount of PLN 11,760 k against PLN 12,000 k that Makarony Polskie SA could have used.

– Overdraft in BNP Paribas Bank Polska SA

Loan terms and conditions	30 June 2022
Loan contractual value	PLN 7,000 k
Loan period*	19.11.2021 - 31.10.2023
Interest rate	WIBOR 3M + 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 k on the following real estates: a) KW No. CZ1C/00111425/8 in Częstochowa together with the assignment of rights under the real estate insurance policy, – blank promissory note issued by the Company together with a promissory note declaration, – declaration on submission to enforcement made pursuant to Article 777 of the Code of Civil Procedure, in the form of a notarial deed.

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

Terms of the agreement	30 June 2022
Contractual value	PLN 7,500 k
Duration	Agreement concluded for an indefinite period
Interest rate	WIBOR 1M + the bank's margin that does not differ from the standards applied by the bank
Factoring balance	PLN 4,490 k
Contract collateral	– irrevocable power of attorney to the account, – blank promissory note with a promissory note declaration

During the first half of 2022, Makarony Polskie SA concluded with Santander Factoring Sp. z o.o. an addendum to the factoring agreement, which increases the factoring agent's limit from PLN 5.5 m to PLN 7.5 m, extends the term of the factoring agent's limit from 31 March 2022 to 31 March 2023 and adjusts the margin level to the current market conditions.

The status of loan agreements in effect as at 30 June 2022, 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 June 2022
Loan contractual value	PLN 4,000 k
Loan period*	16.11.2017 – 16.11.2022
Interest rate	WIBOR 3M + the bank's margin that does not differ from the standards applied by the bank
Loan balance	PLN 2,845 k
Repayment schedule	once on the liability maturity date
Loan collateral	– contractual mortgage up to PLN 4,500 k on real estate marked in KW No. LU1U/00022979/2 located in Stoczek Łukowski together with the assignment of rights from the property insurance policy, – authorization to a current account kept at the Bank, – registered pledge on the set of machines and devices (located in the plant in Stoczek Łukowski), along with the assignment of rights under the insurance policy for the subject-matter of the pledge, – surety of Makarony Polskie SA, – 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

In the first half of 2022, Makarony Polskie SA concluded appendixes to the overdraft facility agreement with Bank Gospodarstwa Krajowego, which increases the credit limit from PLN 3 m to PLN 4 m and adjusts the amount of collaterals to the current credit exposure of the Bank.

– Investment loan at Bank Gospodarstwa Krajowego*

Loan terms and conditions	30 June 2022
Loan contractual value	PLN 4,812 k
Loan period	08.07.2019 – 08.05.2025
Interest rate	WIBOR 3M + the bank's margin that does not differ from the standards applied by the bank
Loan balance	PLN 3,030 k
Repayment schedule	in 54 monthly installments in the amount of 89 k each
Loan collateral	– contractual mortgage up to PLN 7,218 k on real estate marked in KW No. LU1U/00022979/2 located in Stoczek Łukowski together with the assignment of rights from the property insurance policy, – authorization to a current account kept at the Bank,

	– registered pledge on the set of machines and devices (located in the plant in Stoczek Łukowski), along with the assignment of rights under the insurance policy for the subject-matter of the pledge, – blank promissory note issued by the Company together with a promissory note declaration, – surety of Makarony Polskie SA, – statement of the company and the Guarantor on submission to enforcement made pursuant to Article 777 of the Code of Civil Procedure, in the form of a notarial deed (up to PLN 9.6 m).

* Loans taken by Stoczek Natura Sp. z o.o. in Bank Gospodarstwa Krajowego in July 2019, are intended to finance the investment related to the project entitled "Increase of competitiveness of Stoczek Natura Sp. o.o. implementation of innovative solutions by modernizing the line for the production of ready meals in jars and cans and introducing new, innovative products on trays to the company's offer. As part of the project, Stoczek Natura Sp. z o.o. completed the purchase of fixed assets and modernization of production premises.

INFORMATION ON LOANS GRANTED

As at 30 June 2022, Makarony Polskie SA granted its subsidiary Stoczek Natura Sp. z o.o. short-term loan in the amount of PLN 2.00 m with the repayment date falling on 31 December 2022 (one-off repayment until the maturity date of the liability). The interest rate on the loan was determined based on market conditions.

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

Sureties and guarantees

INFORMATION ON GRANTED AND RECEIVED GUARANTIES

In H1 2022, the Group companies did not grant any guarantees, and Makarony Polskie SA and Stoczek Natura Sp. z o.o. used the granted guarantees.

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

Guarantor	Guarantee amount in PLN k	Validity of the guarantee	Subject of the guarantee	Collateral
Santander Bank Polska SA	1,011	until 31.12.2022	guarantee securing the Company's obligations under the agreement	– joint mortgage up to the amount of PLN 1,517 k on real estate marked with KW No. RZ1Z/00076860/5 in Rzeszów and KW No. PL1P/00094893/6 in

			for sales and storing pasta, under the contract concluded with Governmental Agency for Strategic Reserves	Płock, together with the assignment of rights under the real estate insurance policy, – blank promissory note with a promissory note declaration
Santander Bank Polska SA	157	until 31.01.2024	guarantee securing the Company's obligations under the agreement for storing pasta, under the contract concluded with Governmental Agency for Strategic Reserves	– blank promissory note with a promissory note declaration

Statement of guarantees applicable in Stoczek Natura Sp. z o.o. as at 30 June 2022 is shown in the table below:

Guarantor	Guarantee amount in PLN k	Validity of the guarantee	Subject of the guarantee	Collateral
Bank Gospodarstwa Krajowego	1,549	until 29.11.2022	guarantee securing the Company's obligations under the agreement for storing ready-made meals, under the contract concluded with Governmental Agency for Strategic Reserves	– contractual mortgage up to PLN 2323 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, – 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,
Bank Gospodarstwa Krajowego	335	until 16.01.2026	guarantee securing the Company's obligations under the agreement for storing ready-made meals, under the contract concluded with Governmental Agency for	– 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

			Strategic Reserves	

INFORMATION ON GRANTED AND RECEIVED SURETIES

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

External liabilities	Creditor name	Amount of surety in PLN k	Expiration date	Balance of secured liabilities in PLN k as at 30.06.2022
Surety of overdraft facility in the amount of PLN 4.0 m	Bank BGK	6,000	16.05.2023	2,845
Surety of investment loan in the amount of PLN 4.8 m	Bank BGK	4,812	08.11.2025	3,030
Bank guarantee in the amount of PLN 1.5 m	Bank BGK	1,549	29.05.2023	-
Bank guarantee in the amount of PLN 0.3 m	Bank BGK	335	16.07.2026	-

During the first half of 2022, Makarony Polskie SA:

- granted surety to the bank guarantee in the amount of PLN 0.5 m – due to the return of the original guarantee document, the surety expired;
- concluded an annex to the agreement of surety of overdraft facility, as a result of which the amount of the surety was increased to PLN 6 m.

Makarony Polskie SA received remuneration for granting sureties.

Stoczek Natura Sp. z o.o. granted sureties to the parent company Makarony Polskie SA, and their status as at 30 June 2021 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 30.06.2022
Surety of overdraft facility in the amount of PLN 5.0 m	Santander Bank Polska SA	15,366	30.12.2026	233
Surety of investment loan in the amount of PLN 13.8 m	Santander Bank Polska SA			1,989

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

In the first half of 2022, MP Trade Sp. z o.o. and PPH „SAS" Andrzej Świderski Sp. z o.o. did not grant any sureties.

Off-balance items

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

Off-balance sheet items (in PLN k)	30 June 2022	31 December 2021
1. Contingent assets	**3,111**	**3,245**
- received guarantees and sureties	3,052	3,245
- collaterals on assets	0	0
- promisory notes	59	0
2. Contingent liabilities	**186,853**	**158,845**
- for provided guarantees and sureties	0	0
- collaterals on property	139,525	98,869
- promissory note obligations	47,328	59,976
Total off-balance items	**-183,742**	**- 155,600**

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

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

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

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

On 30 June 2022, the Annual General Meeting of Makarony Polskie SA adopted resolutions on the approval of the financial statements for the financial year 2021 and the distribution of net profit, including the payment of a dividend in the amount of PLN 0.30 gross per share.

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

Other material events and transactions

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

Makarony Polskie
- SPÓŁKA AKCYJNA -

CONDENSED SEPARATE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01.01.2022 TO 30.06.2022

Makarony Polskie SA

Legal basis for preparation of financial statements

Declaration of compliance and the basis for preparing the statements

The condensed financial statements of Makarony Polskie SA Company were prepared on the basis of the International Accounting Standards as approved by the European Union (EU) and related interpretations announced in the form of implementing regulations of the European Commission (hereinafter referred to as "IFRS"), applicable to interim financial reporting as approved by European Union (IAS 34 "Interim Financial Reporting") pursuant to Article 45 paragraph 1a of the Accounting Act (Journal of Laws of 2021, item 217 as amended) and regulations issued on its basis and in accordance with the requirements set out in the Regulation of the Minister of Finance of March 29, 2018 on current and periodic information provided by issuers of securities and conditions for recognizing as equivalent information required by the law of a non-member state (Journal of Laws of 2018, item 757) published and in force at the time of preparation of these condensed consolidated financial statements. The interim condensed financial statements do not include all information and disclosures required in the annual financial statements and should be read together with the Company's financial statements for the year ended December 2021.

Basis for valuation

The presented 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. and investment land.

Functional and presentation currency

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

Unless indicated otherwise, the financial data is denominated in PLN k.

Accounting principles applied and the basis for preparing the statements

The accounting principles used to prepare the interim condensed financial statements are consistent with those applied to the preparation of the annual financial statements for the year ended 31 December 2021 (published on 15 April 2022). The company's financial year is the calendar year.

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

Duration of the Company operation is not limited.

Publication and approval of the financial statements

These condensed financial statements were reviewed by an auditing company and approved by the Management Board for publication on 29 September 2022

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

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

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Changes to the rules for preparing financial statements

The accounting principles (policy) used to prepare these separate financial statements for the 6-month period ended 30 June 2022 are consistent with those applied to the preparation of the annual separate financial statements for the financial year ended 31 December 2021, except for the changes described below.

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

There are currently three regulations not approved by the EU because the processes regarding the adoption of IFRS 14 and amendments to IFRS 10 and IAS 28 have been suspended.

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.

- Amendments to IFRS 3, IAS 16, IAS 37 and annual improvements to standards 2018-2020 (Annual improvements)

  Amendments to these standards were published on 14 May 2020 and are applicable to annual periods beginning on 1 January or later. The amendments relate, among others, to the the introduction of a probition on deducting from the cost of fixed assets production any proceeds from selling test products generated in the process of creating/launching a fixed asset and clarification what costs an entity takes into account when assessing whether a given contract will cause losses.

- Amendment to IFRS 16 Leasing – Concessions connected with Covid-19 granted after 30 June 2021

  The amendment to IFRS 16 was published on 31 March 2021 and applies to annual periods beginning on or after 1 April 2021. The purpose of the standard amendment is to extend

by one year (until 30 June 2022) the period during which granting of leasing payment concessions related to Covid-10 does not have to involve a leasing agreement modification. That amendment is closely related to the already effective amendment to IFRS 16 published in May 2020.

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 2021 and for the period of 6 months ended 30 June 2021.

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;

- 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.

  The Group will apply the new standard from 1 January 2023. As at the date of these statements, it is not possible to reliably estimate the impact of applying the new standard.

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

  The amendment to IAS 1 was published on 23 January 2020, then in July 2020 the effective date was modified and it applies to annual periods beginning on or after 1 January 2023.

  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 from 1 January 2023. As at the date of these financial statements, it is not possible to reliably estimate the impact of applying the new standard

- 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.

  The Group will apply the amended standards from 1 January 2023. As at the date of these statements, it is not possible to reliably estimate the impact of applying the new standard

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

  The amendment to IAS 12 was published on 7 May 2021 and applies to the annual periods beginning on or after 1 April 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.

  The Group will apply the amendments to the standard from 1 January 2003. As at the date of these statements, it is not possible to reliably estimate the impact of applying the new standard.

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

  Amendment to IFRS 17 was published on 9 December 2021 and applies to annual period beginning on or after 1 April 2023. The amendment incuded 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 Group will apply the amendment to the standard from 1 January 2023. As at the date of these financial statements, the application of the amended standard will not have any impact on the Company's statements.

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 liabilitiesas as current and non-current published on 23 January 2020, as amended on 15 July 2020,
- Amendment to IAS 12 Income tax: Income tax: deferred tax on assets and liabilities arising from a single transaction published on 7 May 2021,

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

Rules applied

For the preparation of these condensed interim financial statements, the accounting principles have been applied unamended with respect to the principles applied in the preparation of the annual financial statements for 2021, (- note Declaration of compliance with regulations)

The new standards and interpretations that came into force in 2022 did not have a significant impact on the accounting principles applied by the Company.

Uncertainty of estimates

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

- depreciation rates,
- impairment of assets (including receivables),
- provisions value,
- deferred tax assets (companies recognize assets for deferred tax based on the assumption that a tax profit shall be obtained in the future allowing its utilization; deterioration of the obtained tax results in the future could cause that such assumption would be unjustified),
- valuation of assets with an indefinite useful life.
- the adopted marginal loan rate and the lease term for agreements with an indefinite period of validity due to the implementation of IFRS 16

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

Impairment test of ABAK brand

The impairment tests of the brands have been carried out using an income-based valuation method discounting future hypothetical royalties to present value with the following assumptions:

- 5-year forecast period (2022-2026),
- one scenario – realistic,
- financial projections based on historical data taking into account organic brand development plans,
- discount rate was set at a variable level, a discount factor was calculated using a chain method (variable WACC equal to: in 2022 = 11.3%; in 2023 = 11.3%; in 2024 = 9.9%; in 2025 = 9.1%; in 2026 = 8.3%),
- royalty rate of 5%;
- growth rate after the forecast period – 0%

For the impairment test of the brands carried out as at 30 June 2022 consisting in the calculation of the value in use, a sensitivity analysis of key assumptions was performed. The purpose of the sensitivity analysis was to examine what value the selected model parameters would have to take so that the estimated value in use of the cash-generating units equals the carrying amount of the unit. The tests carried out showed the assumed values of the key assumptions are at a safe level and there is a low probability that the recoverable value will be below the book value.

The tests carried out did not identify a need for write-downs of brands.

Asset impairment tests at the level of Makarony Polskie S.A.

The impairment tests have been carried out using an income-based valuation method discounting future cash flows to present value, taking into account the residual value and with the following assumptions:

- 5-year forecast period (2022-2026),
- one scenario – realistic,
- financial projections based on historical data,
- discount rate was set at a variable level, a discount factor was calculated using a chain method (variable WACC equal to: in 2022 = 11.3%; in 2023 = 11.3%; in 2024 = 9.9%; in 2025 = 9.1%; in 2026 = 8.3%),
- growth rate after the forecast period – 0%

For the impairment test of the assets of Makarony Polskie and the Group of Companies Makarony Polskie carried out as at 30 June 2022 consisting in the calculation of the value in use, a sensitivity analysis of key assumptions was performed. The purpose of the sensitivity analysis was to examine what value the selected model parameters would have to take so that the estimated value in use of the cash-generating units equals the carrying amount of

the unit. The tests carried out showed the assumed values of the key assumptions are at a safe level.

The tests carried out did not identify a need for write-downs due to impairment of assets of the company and the Group of Companies Makarony Polskie.

Share impairment tests

The impairment tests have been carried out using an income-based valuation method discounting future cash flows to present value, taking into account the residual value and with the following assumptions

- 5-year forecast period (2022-2026),
- one scenario – realistic,
- financial projections based on historical data,
- discount rate was set at a variable level, a discount factor was calculated using a chain method (variable WACC equal to: in 2022 = 11.3%; in 2023 = 11.3%; in 2024 = 9.9%; in 2025 = 9.1%; in 2026 = 8.3%),
- growth rate after the forecast period – 0%

For the impairment test of the shares in the subsidiaries carried out as at 30 June 2022 consisting in the calculation of the value in use, a sensitivity analysis of key assumptions was performed. The purpose of the sensitivity analysis was to examine what value the selected model parameters would have to take so that the estimated value in use of the cash-generating units equals the carrying amount of the unit. The tests carried out showed the assumed values of the key assumptions are at a safe level.

The tests carried out did not identify a need for write-downs due to impairment of shares in the subsidiaries.

Going Concern

The financial statements of Makarony Polskie SA Company have been prepared on the assumption that the business will be continued in the foreseeable future and not significantly reduced. The Company did not conduct operations which were discontinued in the first half of 2022.

- Events affecting assets, liabilities, equity, net result or cash flow statement that are unusual due to their nature, size or frequency

The impact of the COVID-19 pandemic on the operations of Makarony Polskie S.A.

The impact of the Covid-19 pandemic, which began at the end of the first quarter of 2020, on the operations and financial results of Makarony Polskie SA Company is visible in several areas:

- pressure from the business environment, including government authorities to maintain a stable level of prices, as well as the reluctance of key recipients to implement increases under concluded agreements, delayed the implementation of new sales prices, allowing the Company to partially compensate for the increase in cost factors.

Due to the ongoing Covid-19 epidemic, additional security procedures and security measures have been implemented in the company to secure the continuity of production and reduce the risk of the virus spreading among the crew members. These procedures are systematically validated and modified depending on the needs and the evolution of the epidemiological situation.

In the opinion of the Management Board, there are no threats in the Company that would make it impossible to pay its liabilities. The Company has no problems with the repayment of receivables by its contractors (no changes in the collection of receivables were identified).

The Company has not identified an increase in the valuation risks and the deposition of inventories. As at the publication date of the statements, the Company does not identify any significant risks of failure to meet the financial covenants included in loan agreements in connection with the COVID-19 pandemic. The Management Board of Makarony Polskie SA carefully monitors the situation related to the COVID-19 pandemic and takes steps to minimize the negative impact on the functioning of the Company and the Group in the area of security, financial liquidity and achieved results.

In the opinion of the Management Board, the current financial situation of the Company does not threaten the continuation of the Group's operations in the next periods. After the balance sheet date, there were no other events that could significantly affect the financial statements of the Company.

The impact of the political and economic situation in Ukraine on the operations of Makarony Polskie SA

The impact of the political and economic situation in Ukraine on the operations and financial results of the Makarony Polskie Group is visible in several areas:

- price increases and problems with availability of certain key raw materials and materials (e.g. flour, egg pulp, film and cardboard packaging) – due to the increased demand and

turbulence in the supply chain (e.g. trade difficulties with Ukraine) may have a negative impact on the effectiveness of day-to-day operations. Previously – alternately – one cost component was increasing, another was decreasing, while the third one was stable, therefore price fluctuations could be amortized and in the long term thet price increase, if any, was of a few percent. Since the beginning of 2022, all costs have been growing simultaneously and week by week, so the price changes are currently up to several dozen percent,

- price increases of energy, gas and fossil fuels due to the global situation (the ongoing "energy crisis"),
- absence among the staff – the war outbreak have caused many Ukrainians (both men and women) who were working in Poland to decide to return to their homeland – to the front or to their families left behind. It was a challenge for companies to find a replacement for them in a short time. Currently, the risk has been partially mitigated by the Polish government's decision to allow the Ukrainian refugees to enter the Polish labor market,
- pressure from the business environment has forced the Group to renegotiate contracts and change the way it determines the prices for B2B clients – since the outbreak of the war in Ukraine, the Group's company have adopted a strategy of setting prices in one- or maximum two-week periods with the possibility of maintaining sales prices in subsequent periods provided that the market prices of raw materials and packaging are stabilized,
- insurance institutions are withdrawing from insuring contracts with Ukrainian clients, which also results in limited possibilities of granting trade credit for Ukrainian clients and imposes cooperation on prepayment basis.
- increased demand of Ukrainian clients for pasta and other products with a long shelf-life - the products offered by the Group's companies belong to this group of goods. It has a positive impact on the Group because transactions are entered into in the form of prepayment in euro, which increases the Group's financial liquidity, reduces the use of loans and allows for eliminating a negative impact of exchange rate volatility through natural hedging,
- difficulties in logistics related to the capacity of the state border with Ukraine and limited availability of means of transport are translated into high short-time variability in sales to Ukrainian clients (e.g. month-to-month) which is reflected in difficult planning of sales and production for this market.

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

Legal basis for preparation of financial statements

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

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

At the moment, in spite of the war that has lasted for 6 months, it is difficult to forsee a further situation in Ukraine and its impact on the situation of the Company and the Makarony Polskie Group, but it should be stated that as of today, the impact is neutral. Other factors, such as energy crisis and inflation, have much greater impact on the situation of the food industry in Poland.

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

Makarony Polskie SA did not publish financial forecasts for the year 2022.

Factors and risks with a significant impact on the financial results in the first half of 2022 and in subsequent periods

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

Selected financial data
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 Laws of 2018, item 757).

- items of the statement of financial position have been converted at the average exchange rate announced by the National Bank of Poland as at the balance sheet date, 30 June 2022, EUR 1= PLN 4.6806; 31 December 2021, EUR 1= PLN 4.5994
- items of the statement of comprehensive income and statement of cash flows have been converted at the exchange rate being the arithmetic average of the average rates set by the National Bank of Poland effective on the last day of each month of H1 2022 = PLN 4.6427 and at the end of each month of H1 2021 = PLN 4,4413

Selected financial data	30 June 2022 (PLN k)	30 June 2021 (PLN k)	30 June 2022 (EUR k)	30 June 2021 (EUR k)
Net revenues from sale of products, services, goods and materials	112,942	75,794	24,327	16,668
Profit (loss) from continued operations	7,509	3,265	1,617	718
Gross profit (loss)	6,616	3,011	1,425	662
Net profit (loss) from continued operations	5,249	2,388	1,131	525
EBIT	7,509	3,265	1,617	718
EBITDA (EBIT + depreciation)	10,565	6,350	2,276	1,396
Net cash flows from operating activities	5,101	2,953	1,099	649
Net cash flows from investment activities	- 15,633	- 1,530	- 3,367	- 336
Net cash flows from financial activities	- 7,946	- 1,289	- 1,712	- 283
Total net cash flows	-18,478	134	- 3,980	29
Total assets ***	199,970	182,617	42,723	39,705
Liabilities and provisions for liabilities ***	101,133	85,717	21,607	18,637
Long-term liabilities ***	38,315	41,997	8,186	9,131
Short-term liabilities ***	62,818	43,720	13,421	9,506
Equity ***	98,837	96,900	21,116	21,068
Share capital ***	33,120	27,750	7,076	6,033
Number of shares (units)	11,040,071	11,040,071	11,040,071	11,040,071
Weighted average number of shares (in units) during the current financial year ***	11,040,071	9,348,098	11,040,071	9,348,098
Profit/loss per ordinary share (in PLN/EUR) *	0.48	0.26	0.10	0.06
Book value per one share (in PLN/EUR) **	8.95	8.78	1.91	1.91

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

** Book value per one ordinary share = equity/number of shares at a given balance sheet date
*** Comparable data regarding the statement of financial position as at 31 December 2021

Condensed statement on total revenues of Makarony Polskie SA

Makarony Polskie SA	01.01.2022-30.06.2022	01.01.2021-30.06.2021
Revenues from sales	**112,942**	**75,794**
Revenues from sales of other products and services	87,539	58,534
Net revenues from sales of materials and goods	25,403	17,260
Own cost	**91,068**	**62,317**
Production costs of products and services sold	68,115	46,601
Value of goods and materials sold	22,953	15,716
Gross profit (loss) on sales	**21,874**	**13,477**
Costs of sales	11,115	9,380
General administrative costs	2,741	2,326
Other revenues	691	1,730
Other costs	1,200	236
Profit (loss) from continued operations	**7,509**	**3,265**
Financial incomes	35	53
Financial costs	928	307
Gross profit (loss)	**6,616**	**3,011**
Income tax	1,367	623
Profit (loss) from continued operations, in this attributable to:	**5,249**	**2,388**
Shareholders of the parent Company	5,249	2,388
Basic net result per share in PLN	0.48	0.26
Diluted net result per share in PLN	0.48	0.26
Other total net income/loss		
Total net income, in this attributable to:	**5,249**	**2,388**
Shareholders of the parent Company	5,249	2,388
Non-controlling shares		

Condensed statements of the financial position of Makarony Polskie SA

ASSETS	30 June 2022	31 December 2021	30 June 2021
FIXED ASSETS	**134,783**	**118,828**	**116,863**
Tangible fixed assets	78,599	79,465	77,152
Fixed assets - IFRS-16	3,043	3,291	3,650
Investment real estate	603	603	603
Other intangible assets	5,293	5,325	5,358
Goodwill			
Long-term financial assets, including	47,190	30,080	30,080
Shares	47,190	30,080	30,080
Borrowings granted	0	0	0
Assets for deferred income tax	0	0	0
Other long-term assets	55	64	20
CURRENT ASSETS	**65,187**	**63,789**	**38,464**
Inventories	24,849	13,408	14,762
Short-term receivables	29,921	21,446	20,900
Corporate income tax receivables	508	554	0
Borrowings granted	2,005	2,003	2,003
Cash and cash equivalents	7,654	26,121	506
Other short-term assets	250	257	293
ASSETS FOR SALE	**0**	**0**	**0**
TOTAL ASSETS	**199,970**	**182,617**	**155,327**

LIABILITIES	30 June 2022	31 December 2021	30 June 2021
EQUITY	**98,837**	**96,900**	**84,193**
Share capital	33,120	27,750	27,750
Supplementary capital	48,468	39,228	35,303
Reserve capital	12,000	24,888	12,000
Retained profits/losses (profit/loss from previous years)	5,249	5,034	9,140
LONG-TERM LIABILITIES	**38,315**	**41,997**	**30,663**
Provision for deferred income tax	3,371	3,065	2,901
Long-term bank loans and borrowings	15,269	18,027	5,580
Other long-term financial liabilities	31	215	399
Provision for pensions and similar (long-term)	321	345	340
Revenues of future periods - long-term	16,141	16,777	17,413
Long-term financial liabilities - leasing	3,182	3,568	4,030
SHORT-TERM LIABILITIES	**62,818**	**43,720**	**40,471**
Short-term bank loans and borrowings	7,418	11,432	11,297
Other short-term financial liabilities	368	368	337
Short-term financial liabilities - leasing	1,055	1,391	1,763
Financial liabilities due to dividends	3,312	0	0
Other short-term liabilities	47,812	28,365	23,838

Condensed statements of the financial position of Makarony Polskie SA

Corporate income tax liabilities	0	0	13
Revenues of future periods - short-term	1,302	1,302	2,037
Provision for retirement and similar benefits (short-term)	936	862	941
Other short-term provisions	615	0	245
TOTAL LIABILITIES	**101,133**	**85,717**	**71,134**
TOTAL LIABILITIES	**199,970**	**182,617**	**155,327**

Condensed statement of cash flows of Makarony Polskie SA

Makarony Polskie SA	01.01.2022-30.06.2022	01.01.2021-30.06.2021
Profit/loss before tax	**6,616**	**3,011**
Adjustments by items:		
Depreciation	3,056	3,085
Profits/losses on exchange differences	- 11	2
Interest expense and income	709	212
Profit/loss from investing activities	- 3	-15
Change in provisions	665	8
Change in inventories	- 11,442	284
Change in receivables	- 8,091	404
Change in liabilities and accruals	14,616	- 1,478
Other adjustments	0	- 907
Total adjustments	**- 501**	**1,595**
Dividend revenues	0	0
Corporate income tax paid/reimbursed	- 1,014	- 1,653
Cash flows from net operating activities	**5,101**	**2,953**
Cash flows from investment activities		
Proceeds from the sale of fixed assets and intangible assets	21	466
Proceeds from sales of financial assets	0	0
Expenses for the purchase of fixed tangible assets and intangible assets	- 3,319	- 2,017
Expenses for the acquisition of subsidiaries	-12,363	
Interest income	28	21
Expenses for the purchase of financial assets	0	0
Proceeds from borrowings granted	0	0
Borrowings granted	0	0
Net cash flows from investment activities	**- 15,633**	**- 1,530**
Cash flows from financial activities		
Proceeds from loans and borrowings	1,060	1,207
Proceeds from dividends	676	
Proceeds from the issue of debt securities	0	0
Repayment of loans and borrowings	- 7,832	- 3,615
Payment of liabilities under financial lease agreements	- 927	- 852
Interest paid	- 739	- 231
Payment of other financial liabilities	-184	0
Other financial revenues - subsidy	0	2,202
Net cash flows from financial activities	**- 7,946**	**- 1,289**
Increase/decrease in cash and cash equivalents	- 18,478	134
Cash, cash equivalents and overdrafts at the beginning of the period	**26,121**	**374**
Foreign exchange gains/losses on the valuation of cash, cash equivalents and overdrafts	11	- 2
Cash, cash equivalents and overdrafts at the end of the period, including	**7,654**	**506**

with restricted availability	**4,748**	**0**

Condensed statement of changes in equity of Makarony Polskie SA

For the period from 1 January 2022 to 30 June 2022

	Share capital	Supplementary capital	Reserve capital	Retained profit/loss	Total
Balance as at 1 January 2022	**27,750**	**39,228**	**24,888**	**5,034**	**96,900**
Distribution of profit/loss coverage		1,722		-1,722	
Profit distribution - dividend payment				- 3,312	- 3,312
Issue of shares	5,370	7,518	-12,888		
Other total income					
Net result after H1 2022				5,249	5,249
Balance as at 30 June 2022	**33,120**	**48,468**	**12,000**	**5,249**	**98,837**

For the period from 1 January 2021 to 31 December 2021

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

For the period from 1 January 2021 to 30 June 2021

	Share capital	Supplementary capital	Reserve capital	Retained profit/loss	Total
Balance as at 1 January 2021	**27,750**	**35,303**	**12,000**	**6,752**	**81,805**

Distribution of profit/loss coverage					
Profit distribution - dividend payment					
Costs of share issue					
Issue of shares					
Other total income					
Net result after H1 2021				2,388	2,388
Balance as at 30 June 2021	**27,750**	**35,303**	**12,000**	**9,140**	**84,193**

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.

	01.01.2022 - 30.06.2022	01.01.20201– 30.06.2021
Revenues from sales of products	85,807	56,434
Proceeds from the sale of services, including:	1,732	2,100
- marketing and distribution services	33	30
- manufacturing services	836	863
- for lease and storage	795	1,175
- for administrative and office services	21	18
- other	47	14
Revenues from sale of materials	1,833	2,206
Revenues from sale of goods	23,570	15,054
Total	**112,942**	**75,794**

The sales revenues of Makarony Polskie SA Company in the first half 2022 amounted to PLN 112.94 m and were by approx. PLN 37.15 m higher than in the corresponding period of 2021.

Operating segments

In the first half of 2021, Makarony Polskie Company carried out sales according to the following product groups, achieving the following revenues on this account:

	For the period 01.01-30.06.2022	For the period 01.01-30.06.2021
Pasta	91,331	58,376
Meat and vegetable preserves	14,253	9,346
Vegetable and fruit preserves*	4,589	4,597
Other	2,769	3,475
Total	**112,942**	**75,794**

Basic information about operating segments:

H1 2022	Pasta	Meat and vegetable preserves	Vegetable and fruit preserves	Other	Total segments
Revenues					
Sales to external customers	91,331	14,253	4,589	2,769	112,942
Sales between segments					
Total revenues	91,331	14,253	4,589	2,769	112,942
Costs					
Segment costs	72,130	12,486	4,278	2,174	91,068
Profits or losses of segments (gross result on sales)	19,201	1,767	311	595	21,874

H1 2021	Pasta	Meat and vegetable preserves	Vegetable and fruit preserves	Total	Segmenty ogółem
Revenues					
Sales to external customers	58,376	9,346	4,597	3,475	75,794
Sales between segments					
Total revenues	58,376	9,346	4,597	3,475	75,794
Costs					
Segment costs	47,275	8,218	4,438	2,386	62,317
Profits or losses of segments (gross result on sales)	11,101	1,128	159	1,089	13,477

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

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

For the period	01.01.2022-30.06.2022	01.01.2021-30.06.2021

Country	93,673	67,928
Exports, including:	19,269	7,866
- European Union countries	3,007	2,,564
- other countries	16,262	5,302
Total	**112,942**	**75,794**

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

In the first half of 2022, the value of sales amounted to PLN 93.67 m in the domestic market and PLN 19.27 m in exports. In the corresponding period of 2021, those figures were PLN 67, 93 m and PLN 7.87 m, respectively.

Other operating income and expenses

OTHER REVENUES

For the period	01.01.2022-30.06.2022	01.01.2021-30.06.2021
State subsidies	636	1,579
Profit on sale of tangible fixed assets	3	15
Reversal of impairment losses on receivables	0	48
Sale of scrap and waste	4	51
Compensation and complaints	41	34
Reimbursement of social security contributions	4	3
Refund of court and bailiff fees	2	0
Other	1	0
Total	**691**	**1,730**

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	01.01.2022 - 30.06.2022	01.01.2021- 30.06.2021
Creation of provisions	0	115
Write-down of receivables	133	23
Write-downs of inventories	175	0
Donations	5	0
Contractual penalties	6	6
R&D costs	789	0
Litigation costs	21	5
Sponsoring	44	0
Liquidation of damaged and expired inventories	26	83
Other	1	4
Total	**1,200**	**236**

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	01.01.2022- 30.06.2022	01.01.2021- 30.06.2021
Interest income, including:	35	19
- interest on loans	30	19
- interest on receivables	5	0
Profits on exchange differences	0	34
Profit on disposal of investments - shares	0	0
Other	0	0
Total	**35**	**53**

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	01.01.2022-30.06.2022	01.01.2021 30.06.2021
Interest costs, including those relating to:	740	250
- bank loans	541	149
- factoring and leasing costs	124	35
- costs on liabilities	1	19
- IFRS-16 interest costs	74	47
- other	0	0
Other financial costs, including:	188	57
- loss due to negative exchange rate differences	38	0
- commissions, guarantee	66	57
- discount costs	0	0
- other financial costs	84	0
Total	**928**	**307**

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

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

For the period	01.01.2022-30.06.2022	01.01.2021-30.06.2021
Net profit/loss per share	0.48	0.26
Book value per share in PLN (according to data as of 30.06.2022 and data as of 31.12.2021)	8.95	8.78

For the period	01.01.2022-30.06.2022	01.01.2021 30.06.2021
Net profit/loss from continuing operations attributable to shareholders of the parent company	5,249	2,388
Profit/loss on discontinued operations attributable to shareholders of the parent company		
Net profit/loss attributable to shareholders of the parent company	5,249	2,388
Net profit/loss attributable to ordinary shareholders applied to calculate diluted profit/loss per share	nie dotyczy	nie dotyczy

For the period	01.01.2022-30.06.2022	01.01.2021-30.06.2021

Weighted average number of issued ordinary shares applied to calculate basic earnings/loss per share	11,040,071	9,250,071
Impact of dilution	not applicable	not applicable
Adjusted weighted average number of ordinary shares applied to calculate diluted profit/loss per share	not applicable	not applicable

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

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

In the first half of 2022, there were no factors diluting the share capital.

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

Note Long-term financial assets

Other long-term financial assets	30.06.2022	31.12.2021
Shares in Stoczek Natura Sp. z o.o.	28,578	28,578
Shares in MP Trade Sp. z. o. o.	1,502	1,502
Shares in PPH „SAS" Sp. z. o. o.	17,110	0
Total long-term financial assets	47,190	30,080

Information on changes in estimates related to the separate financial statements

CHANGES DUE TO PROVISIONS

Changes in provisions H1 2022	Balance at the beginning of the period	Creation	Use and release	Balance at the end of the period
For retirement and similar benefits, including:	1,207	85	35	1,257
a) long-term	345	0	24	321
b) short-term	862	85	11	936
Other provisions, including:	0	615	0	615
a) provision for the audit of the financial statements	0	0	0	0
b) other	0	615	0	615
Total	**1,207**	**700**	**35**	**1,872**

2021	Balance at the beginning of the period	Creation	Use and release	Balance at the end of the period
For retirement and similar benefits, including:	1,517	9	319	1,207
a) long-term	336	9	0	345
b) short-term	1,181	0	319	862
Other provisions, including:	0	0	0	0
a) provision for the audit of the financial statements	0	0	0	0
b) other	0	0	0	0
Total	**1,517**	**9**	**319**	**1,207**

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

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

DEFERRED INCOME TAX PROVISION ASSETS AND PROVISIONS

Changes in provisions H1 2022	Balance as at 01.01.2022	Creation	Use and release	Balance at the end of the period
Asset for deferred income tax	328	277	80	525
Provision for deferred income tax	3,393	823	320	3,896
Asset/Provision after compensation				3,371

Changes in provisions H1 2021	Balance as at 01.01.2021	Creation	Use and release	Balance at the end of the period
Asset for deferred income tax	398	80	150	328

Provision for deferred income tax	3,340	246	193	3,393
Asset/Provision after compensation				3,065

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

In terms of income tax, the Company is subject to general regulations in this area. The Company is not a tax Group, as well as does not operate in a special economic zone, which would differentiate the rules for determining tax charges in relation to general provisions in this respect. The tax year and the balance sheet year coincide with the calendar year. Makarony Polskie SA has chosen a simplified form of paying monthly advances on corporate income tax. As at 30 June 2022, a deferred tax provision in the amount of PLN 761 k has been created as the difference between the advances paid as shown in the statement of comprehensive income and the actual tax resulting from the calculated tax base.

WRITE-DOWNS ON ASSETS

Changes in provisions H1 2021	Balance as at 01.01.2022	Creation	Use and release	Balance at the end of the period
Write-downs of receivables	440	133	0	573
Write-downs of inventories	84	175	0	259
Write-downs of tangible fixed assets	0	0	0	0

Changes in provisions H1 2021	Balance as at 01.01.2021	Creation	Use and release	Balance at the end of the period
Write-downs of receivables	435	54	49	440
Write-downs of inventories	52	84	52	84
Write-downs of tangible fixed assets	0	0	0	0

The Company monitors its assets on an on-going basis; in the event of impairment, it makes a revaluation write-down of assets. During the first half of 2022, there were premises for a write-down of inventories and trade receivables in the amount of PLN 308 k.

Long-term and short-term financial liabilities

BANK LOAN LIABILITIES

	As at 30.06.2022	As at 31.12.2021
up to 1 year	7,418	11,432
More than one year	15,269	18,027
Total	22,687	29,459

LIABILITIES FROM FINANCE LEASING CONTRACTS

	Total present value of minimum fees	
	as at 30.06.2022	as at 31.12.2021
up to 1 year	295	681
within 1 to 5 years	809	895
Total	1,104	1,576

As at 30 June 2022, the company has fixed assets used under lease agreements. The carrying amount of machinery and equipment, cars and other fixed assets used under financial leasing agreements as at 30 June 2022 was PLN 1,407 k, and as at 31 December 2021 it amounted to PLN 2,588 k.

LIABILITIES FROM LEASING CONTRACTS - IFRS-16

	Total present value of minimum fees	
	as at 30.06.2022	as at 31.12.2021
up to 1 year - lease	756	706
up to 1 year – Perpetual usufruct right to land	4	4
within 1 to 5 years - lease	1,181	1,486
in the period over one year - Perpetual usufruct right to land	1,192	1,187
Total	3,133	3,383

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

The balance sheet value of fixed assets due to the lease of premises and the right of perpetual usufruct of land as at 30 June 2022 was PLN 3,043 k, and as at 31 December 2021 it amounted to PLN 3,291 k.

SHORT-TERM FINANCIAL OBLIGATION - POLISH DEVELOPMENT FUND SUBSIDY

	as at 30.06.2022	as at 31.12.2021
up to 1 year	368	368
within 1 to 5 years	31	215
Total	399	583

As part of the financial shield, in 2020 Makarony Polskie SA received financial support in the form of a subsidy from the Polish Development Fund in the amount of PLN 1,472 k.

After meeting the conditions specified in the program, the Company was partially released from the obligation to return funds by virtue of the decision of 28 July 2021.

OTHER FINANCIAL LIABILITIES - HEDGE ACCOUNTING

The Company has liabilities due to loans for which interest is calculated on the basis of a variable interest rate, and therefore there is a risk of an increase in these rates in relation to the conclusion of the contract. In the reporting period, the company did not use an interest rate hedging instrument.

Remuneration of members of the Management Board and Supervisory Board of Makarony Polskie SA

The total value of remuneration paid to members of the Management Board of Makarony Polskie SA in the first half of 2022 was PLN 638 k, in the same period of 2021 it was the amount of PLN 442 k.

Remuneration of the members of the Supervisory Board of Makarony Polskie SA in the first half of 2022 amounted to PLN 89 k, in the same period of 2021 it was the amount of PLN 89 k.

Members of the Management Board and Supervisory Board of Makarony Polskie SA did not receive any remuneration from subsidiaries. The President of the Management Board of Makarony Polskie SA did not receive any remuneration for performing the function of the President of the Management Board in MP Trade Sp. z o.o. in the first half of 2022.

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

Settlement between affiliates

During the first half of 2022, Makarony Polskie SA did not conclude any significant transactions under the terms other than market terms.

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

Affiliate	Sales to affiliates- comprehensive income		Purchases from affiliates	
	For the period from 01.01 to 30.06.2022	For the period from 01.01 to 30.06.2021	For the period from 01.01 to 30.06.2022	For the period from 01.01 to 30.06.2021
Parent company- Makarony Polskie S.A.	224	147	26,668	12,723
- from/to Stoczek Sp. z o.o.	150	140	16,989	12,716
- from/to MP Trade Sp. z.o.o.	7	7	1,207	7
- from/to PPH „SAS" Sp. z o.o.	67	0	8,472	0

Affiliate	Receivables from affiliates		Liabilities towards affiliates	
	As at 30.06.2022	As at 30.06.2021	As at 30.06.2022	As at 30.06.2021
Parent company- Makarony Polskie S.A.	102	83	4,410	2,237
- from/to Stoczek Sp. z o.o.	92	82	2,693	1,908
- from/to MP Trade Sp. z.o.o.	2	1	443	329
- from/to PPH „SAS" Sp. z o.o.	8	0	1,274	0

Information on planned share issues

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

Information on the issue of series F shares implemented in 2021 by the Company has been described in detail in the condensed consolidated financial statements of the Makarony Polskie Group.

Agreements and events material for the Company's operations

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

Information on credits and loans taken out by Makarony Polskie SA

LOANS CONTRACTED, INCLUDING THEIR MATURITY DATES

	As at 30.06.2022	As at 31.12.2021
up to 1 year	7,418	11,432
more than one year	15,269	18,027
Total	22,687	29,459

Loan agreements concluded by Makarony Polskie SA as at 30 June 2022 are described in detail in the condensed consolidated financial statements of the Makarony Polskie Group.

INFORMATION ON LOANS GRANTED

As at 30 June 2022, Makarony Polskie SA granted its subsidiary Stoczek Natura Sp. z o.o. a short-term loan in the amount of PLN 2.00 m with the repayment date falling on 31 December 2022 (one-off repayment until the maturity date of the liability). The interest rate on the loan was determined based on market conditions.

Guarantees and sureties

Information on guarantees and sureties granted and received by Makarony Polskie SA as at 30 June 2022 has been described in detail in the condensed consolidated financial statements of the Makarony Polskie Group.

Off-balance items

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

Off-balance sheet items (in PLN k)	30 June 2022	31 December 2021
1. Contingent assets	**18,593**	**18,534**
- received guarantees and sureties	16,534	16,534
- collaterals on assets		
- promissory notes	2,059	2,000
2. Contingent liabilities	**133,151**	**121,911**

- for provided guarantees and warranties	12,696	11,365
- collaterals on property	88,555	70,555
- promissory note obligations	31,900	39,991
Total off-balance items	**- 114,559**	**- 103,377**

The values of guarantees received, collaterals, promissory notes, mortgages and other off-balance sheet liabilities in the table above have been presented at maximum values.

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

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

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

On 30 June 2022, the Annual General Meeting of Makarony Polskie SA adopted resolutions on approving the financial statements for the reporting year 2021 and net profit distribution, including a dividend in the amount of PLN 0.30 gross per share.

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 Company.

Other material events and transactions

In the first half of 2022, there were no material events or transactions other than those described that required disclosure in these separate financial statements.

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Grażyna Kozielec
Chief Accountant

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Zenon Daniłowski
President of the Management Board

Rzeszów, 29 September 2022