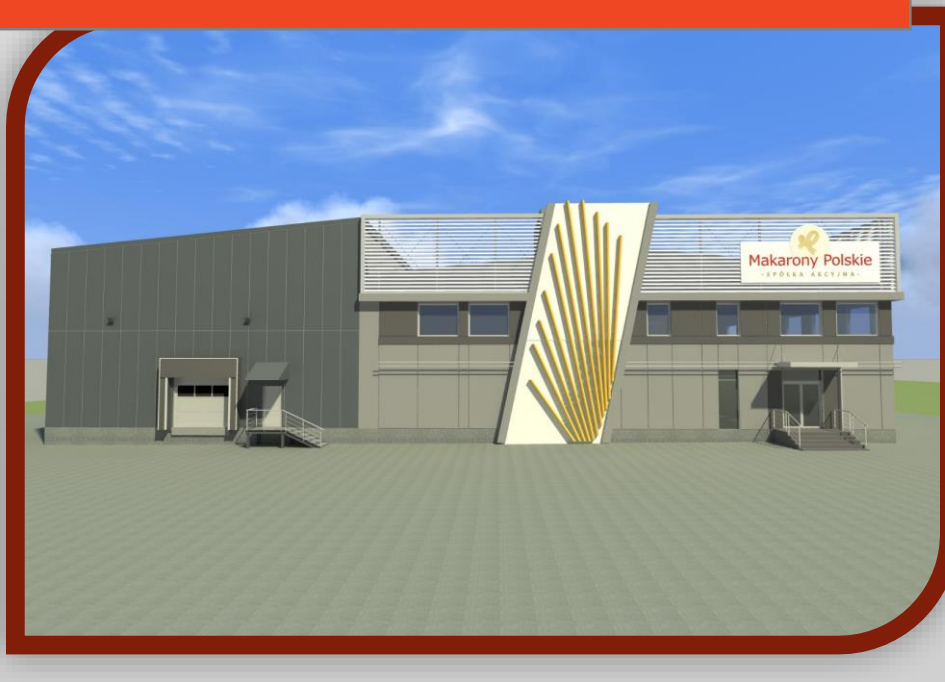
Makarony Polskie

- SPÓŁKA AKCYJNA -

Condensed financial statements of Makarony Polskie Group for the period from 01.01.2023 to 30.06.2023



Rzeszów, 27 September 2023

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Makarony Polskie

- SPÓŁKA AKCYJNA -

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01.01.2023 TO 30.06.2023

General information

Organizational structure of the Makarony Polskie Group

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

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



Makarony Polskie SA is a manufacturer of a wide range of pasta, produced in stamped and rolled technology. 100% of shares The Company offers pasta in many different shapes, made on the basis of durum flour and wheat flour. In its portfolio, the Company also has products that respond to the trends of pro-health food, such as pasta from spelled, buckwheat, rye flours. The product range is diversified with large forms of pasta intended for stuffing and vegetable pasta made from legumes such as chickpeas, red lentils and green peas. The company has considerable scope to expand its range of pasta made from rare flours such as legumes and the portfolio will be developed in this direction.

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

Stoczek Natura Sp. z o.o. is a manufacturer of meat and vegetable preserves (ready meals, pâtés, lards, tinned foods), fruit preserves (jams, jam) offered under the Stoczek and Męska Rzecz brands, as well as ready meals in trays and bowls offered under the SoFood brand.

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

are used for the Group's needs. The business model adopted by the company creates its value by increasing its brand value on the one hand, and on the other hand develops opportunities for importing raw materials (production is contracted out).

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

During H1 2023, the Makarony Polskie SA Group also included the subsidiary SAS Sp. z o.o. (formerly: Przedsiębiorstwo Produkcyjno-Handlowe "SAS" Andrzej Świderski Sp. z o.o., on 2 January 2023 a change of company name was registered in the KRS). A company whose object was the production of a wide range of pasta, manufactured using rolled and pressed technology, including "nests". Makarony Polskie SA held 100% of the shares of SAS Sp. z o.o.

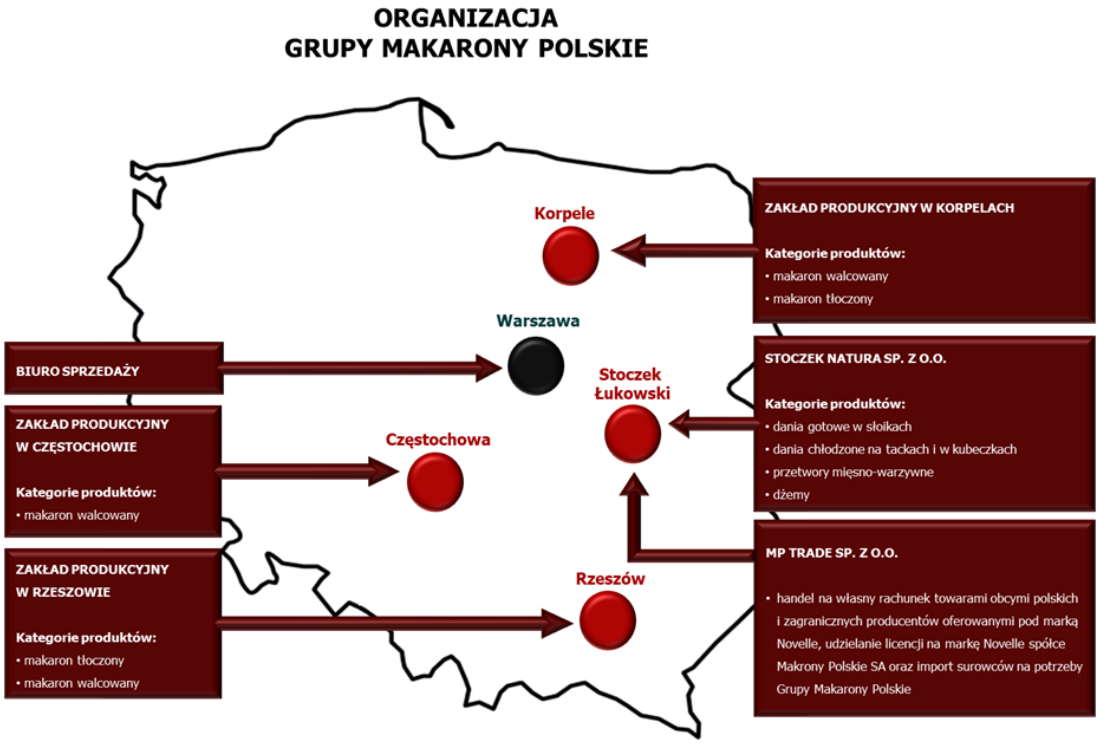
On 26 June 2023, the District Court in Rzeszów, 12th Economic Division of the National Court Register registered the merger of Makarony Polskie S.A. (as the acquiring company), with its subsidiary SAS Sp. z o.o. (as the acquired company).

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

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

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

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



STOCZEK NATURA SP. Z O.O.

Makarony Polskie SA

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

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

KRS number 0000212001,

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

Regon: 691674708,

NIP: 8133278856.

www.makarony.pl.

Stoczek Natura Sp. z o.o.

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

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

KRS number: 0000050439,

Share Capital: PLN 15,707,800

Regon: 711584640,

NIP: 8251727212,

www.stoczek.com.pl.

The Group's human resources policy is focused on maintaining high-class specialists and managers who, thanks to their expertise, experience and commitment, ensure the highest level of implementation of the Group's business objectives.

MP Trade Sp. z o. o.

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

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

KRS number: 0000579926,

Share Capital: PLN 1,500,000

Regon: 362706449,

NIP: 8252176004,

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

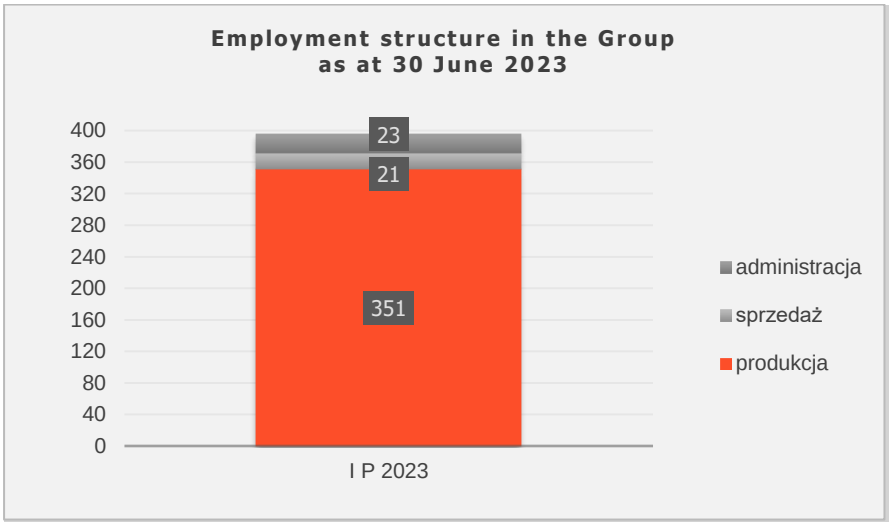
As at 30 June 2023, the share in the total number of votes at the Shareholders' Meetings of these companies, held by the parent company, is equal to the share in the capital of each of the subsidiaries.

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

Employment in the Makarony Polskie Group

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

The employment level as at 30 June 2023 in the Makarony Polskie Group totalled 395 persons (vs. 384 persons at the end of H1 2022).



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

Composition of the Parent Company's Management Board

In the period from 01 January 2023 to the publication of these statements, the Management Board of the Company was composed of one member. The function of the President of the Management Board is performed by Zenon Daniłowski.

During the reporting period, on 19 May 2023, in connection with the end of the 10th term of the Management Board of the Company, the Supervisory Board of Makarony Polskie S.A. decided that the Management Board of the 11th term will be a single-member one, and reassigned the function of the President of the Management Board to Mr Zenon Daniłowski. The resolution of the Supervisory Board became effective as of the date of the Ordinary General Meeting of Shareholders approving the Company's financial statements for the financial year 2022, i.e. as of 27 June 2023.

As at the date of publication of this report, the Company's proxies are:

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

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

Shares held by Members of the Management Board

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

Member of the Management Board	H1 2023		2022	
	number of shares	nominal value	number of shares	nominal value
Zenon Daniłowski*	140,000	420,000	140,000	420,000

* President of the Management Board Zenon Daniłowski is associated with the following companies: Praska Giełda Spożywcza SA and Polskie Smaki Sp. z o.o., which also hold the Company's shares; the total number of shares as at the report publication date is 3,641,594 shares with a value of PLN

10,924,782 and has not changed compared to the shares held as at the date of publication of the interim report for the reporting year 2022.

In accordance with the information held by the Company, during the reporting period and until the date of publication of these statements, there were no changes in the ownership of shares held directly by the President of the Management Board.

Composition of the Parent Company's Supervisory Board

From 01 January 2023 to the date of publication of these statements, the Supervisory Board was composed of:

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

Audit Committee

From 1 January 2023 until the date of publication of this report, the company had an Audit Committee of the Supervisory Board composed of:

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

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

Shares held by members of the Supervisory Board

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

Member of the Supervisory Board	H1 2023		2022	
	number of shares	nominal value	number of shares	nominal value
Marek Rocki	0	0	0	0
Ahmed Khalil	0	0	0	0
Michał Słomkowski	0	0	0	0
Roman Sobiecki	0	0	0	0

Wiesław Wasilewski	26,782	80,346	26,782	80,346

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

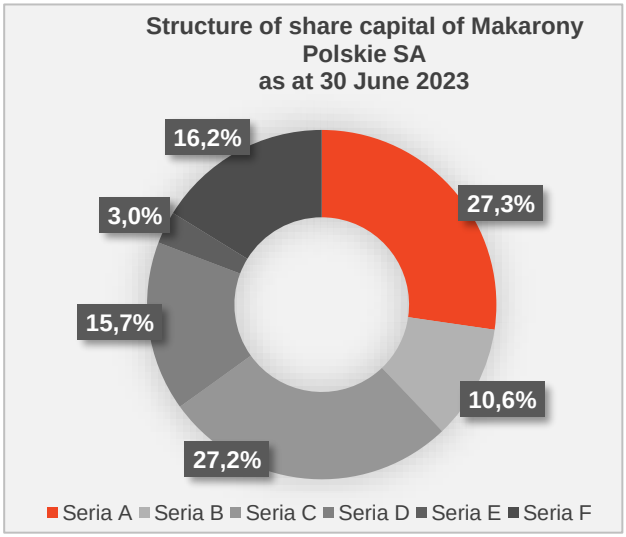
General Meeting of the Parent Company

Share Capital of Makarony Polskie SA,

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

Structure of the Company's share capital:

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



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

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

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

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

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

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

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

Composition of the Management Board of subsidiaries

Stoczek Natura Sp. z o.o.

As at 30 June 2023 and the date of publication of these statements, the management board of the subsidiary Stoczek Natura Sp. z o.o. was composed of:

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

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

- Alicja Hinz - since 05 October 2001.

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

MP Trade Sp. z o.o.

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

- Marcin Zieliński - President of the Management Board.

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

Publication and approval of the financial statements

These condensed consolidated financial statements were reviewed by an auditing company and approved by the Management Board for publication on 27 September 2023.

Legal basis for preparation of consolidated financial statements

Declaration of compliance and the basis for preparing the statements

The Condensed consolidated financial statements have been prepared on the basis of the International Accounting Standards as approved by the European Union (EU) and the related interpretations promulgated in the form of implementing regulations of the European Commission (hereinafter referred to as "IFRS"), applicable to interim financial reporting as approved by the European Union (IAS 34 "Interim Financial Reporting") in accordance with Article 55.5 of the Accounting Act (Dz. U. of 2023, item 120, as amended) and the implementing regulations issued on its basis, and in accordance with the requirements set out in the Regulation of the Minister of Finance of 29 March 2018 on current and periodic information provided by issuers of securities and the conditions for recognising as equivalent the information required by the laws of a non-member state (Dz. U. of 2018, item 757) published and in force at the time of preparation of these Condensed consolidated financial statements. The condensed financial statements do not include all information and disclosures required in the annual financial statements and should be read together with the Group and Parent Company's financial statements for the year ended December 2022..

Basis for valuation

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

Functional and presentation currency

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

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

Accounting principles applied and the basis for preparing the statements

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

Legal basis for preparation of consolidated financial statements

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

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

The duration of the Group companies is not limited.

Consolidated entities:

as at 30 June 2023	Stoczek Natura Sp. z o.o.	MP Trade Sp. z o. o.
The nature of the relationship	direct subsidiary	direct subsidiary
Consolidation method	full	full
Date of taking control	1 June 2007	28 September 2015
% of the capital held	100%	100%

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

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

Changes to the rules for preparing financial statements

The accounting policies applied in the preparation of these interim condensed consolidated financial statements for the six months ended 30 June 2023 are consistent with those applied in the preparation of the annual consolidated financial statements for the financial year ended 31 December 2022, except for the changes described below.

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

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.

- IFRS 17 Insurance contracts

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

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

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

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

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

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

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

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

Amendments introduced independently by the Group

The Group has not adjusted the presentation of the comparative data as at 31 December 2022 and for the period of 6 months ended 30 June 2023.

Non-applicable standards (New standards and interpretations)

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

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

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

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

  The Group will apply the amended standard not sooner than from 01 January 2024. As at the date of these financial statements, it is not possible to reliably estimate the impact of applying the new standard

- Amendment to IFRS 16 Leases Lease liability in sale and leaseback transactions published on 22 September 2022.

  The amendments require the seller-lessee to determine 'lease payments' or 'revised lease payments' so that the seller-lessee does not recognise any amount of gain or loss that relates to the right of use retained by the seller-lessee.

  The Group will apply the amendments to the standard from 1 January 2024. As at the date of these statements, it is not possible to reliably estimate the impact of applying the amended standard

- Amendments to IAS 12 Income Taxes: International Tax Reform - Model Rules Pillar II (Global Minimum Tax) published on 23 May 2023.

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

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

- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Financing Arrangements published on 25 May 2023.

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

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

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

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

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

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

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

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

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 2022, (- note Declaration of compliance with regulations)

Other new standards and interpretations that came into force in 2023 did not have a significant impact on the accounting principles applied by the Group of Companies.

Uncertainty of estimates

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

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

As at 31.12.2022, the Group prepared tests for impairment of the assets of the companies in the Makarony Polskie Group as well as an impairment test at the level of the entire Makarony Polskie Group. Additionally, impairment tests were prepared for the ABAK brand and goodwill arising on the acquisition of the subsidiary Stoczek Natura Sp. z o.o. As at 30.06.2023, the company analysed potential premises resulting in the need to prepare new impairment tests for the indicated assets.
As a result of the analysis, no premises resulting in the need to prepare new impairment tests were identified. Further tests will be prepared as at 31.12.2023.

Legal basis for preparation of consolidated financial statements

Going Concern

The consolidated financial statements of the Makarony Polskie Group have been prepared on the assumption that the business of the Group companies will be continued in the foreseeable future and not significantly reduced. The Group did not conduct operations which were discontinued in the first half of 2022. Factors and risks with a significant impact on the financial results in the first half of 2023 and in subsequent periods

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

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

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

- investments in new production lines and a research and development center will allow the Group to expand its product range and enter new market segments, both at home and abroad,
- activities aimed at cost and process optimization, e.g. implementation of MES software in the production plants will allow for better control of cost and labor intensity of the products and improvement of production-related accounts, while WMS software relating to warehouses will improve warehouse management and the system of stock aging and product flow control,
- at Makarony Polskie SA, an interdisciplinary team was established, which, in cooperation with scientific institutions, works on developing and implementing innovative technologies for the production of new products: functional, health-promoting, low-processed food, easy to prepare,
- Stoczek Natura Sp. z o.o. has successfully introduced SoFood ready-made dishes on trays and in bowls to its offer, which achieved the position of sales vice-leader in its category (according to the report of Nielsen company), further systematic offer development of SoFood brand in close association with market trends and upward trend of this segment is a good sign for sales increase in the future periods,
- „SAS" Sp. z o.o. (currently the production plant of Makarony Polskie S.A. in Korpeli) carried out a number of investments aimed at improving the effectiveness and flexibility of production and reducing the production costs, the company took steps towards selling

unused assets, and work was carried out on diversifying the sources of technological heat generation for the plant,

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

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

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

Activity development in the private label segment

- diversifying and enriching the offer addressed to new and existing customers with pro-health and functional products products from the new rolled line, as well as products of Stoczek natura Sp. z o.o. (including ready meals in trays and in bowls),
- special campaigns, seasonal listings of branded products in discount stores,
- activities aimed at improving the profitability of the sales channel, including optimization measures in the area of packaging, taking into account the principles of sustainable development.

Development of B2B sales channels and Institutions

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

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

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

Export development

- a systematic increase in the number of customers in foreign markets - a focus on European markets, where the Group is systematically developing its cooperation with networks and distributors,
- intensification of communication with current and potential customers through the participation, inter alia, in trade fairs and exhibitions and the organization of B2B meetings on target markets,
- development of the product offer by offering functional products on foreign markets, e.g.: whole wheat pasta with high fiber content, spelled pasta, buckwheat, vegetable and in the product category, such as ready-made dishes in trays (in particular, vegetarian dishes, which are highly sought after on the market),
- acquiring and implementing projects concerning deliveries under the own recipient's brand,

– partnership cooperation with other entities that have an offer complementary to the Group's offer in order to increase sales opportunities and make the offer more attractive.

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

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

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

The impact of the Covid-19 pandemic on the business and financial performance of the Makarony Polskie Group in H1 2023 was insignificant.

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

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

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

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

– price increases of energy, gas and fossil fuels due to the global situation (the ongoing "energy crisis"),
– absence among the staff – the war outbreak have caused many Ukrainians (both men and women) who were working in Poland to decide to return to their homeland – to the front or to their families left behind. It was a challenge for companies to find a replacement for them in a short time. Currently, the risk has been partially mitigated by the Polish government's decision to allow the Ukrainian refugees to enter the Polish labor market,
– pressure from the business environment forced the Group to renegotiate contracts and change the method of setting prices for customers - since the outbreak of the war in

Ukraine, the Group's companies adopted a strategy of setting prices in short-term periods (in 2022, these were monthly periods, in the first half of 2023 - periods of 2-3 months, from the fourth quarter of 2023 - a maximum of six months, with the possibility of maintaining sales prices in subsequent periods on condition of stabilisation of market prices of raw materials and packaging),

- in connection with unrestricted inflow of raw materials and materials, a ban on the import of grain and grain products, e.g. flour, from the territory of Ukraine was introduced, which closed for a certain period the possibility of developing cooperation with suppliers from the Ukrainian market in the situation of products for which there is no alternative on the domestic market.

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

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

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

At this moment, despite the war that has been going on for 18 months, it is difficult to predict the further situation in Ukraine and its impact on the situation of the Company and the Makarony Polskie Group, but it should be stated that as of today, the impact, both in the area of export sales and purchase of raw materials, is not significant. Other factors, such as turbulence on the energy and gas market and inflation, have a much greater impact on the situation of the food business in Poland.

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

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

Risks and threats significant for the development of the Group

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

The risk of changes in market trends

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

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

Risk related to competition

All areas of Makarony Polskie Group's operations belong to highly competitive segments. There is a risk that the intensified actions of competitors, manifested mainly in the deterioration of trading conditions will affect the profitability and revenues of the Group, may affect the achievement of objectives assumed by the Group. All activities of the competitive environment are monitored and carefully analysed on an ongoing basis, which allows for quick response in the area of possible threats. The first half of 2023 was a period of stagnation or reduced consumption, which translated into decreases in production volumes both for the Makarony Polskie Group and the entire pasta industry. A commercial risk is the increasing pressure on producers to balance their supply capacity with demand. This may result in an aggressive pricing policy that is not correlated with the cost level and the dynamically changing market environment, especially in the group of the so-called 'standard products'. The Group seeks to

minimise this risk by diversifying its operations and developing innovative products (teams are in place to carry out R&D projects).

Risk of dependence on recipients

A large part of revenues is generated by the Group through cooperation with organized and centrally-decisive retail chains. A possible lack of continuity of cooperation with customers may affect the amount of revenues. Niektóre z umów handlowych nie zawierają ściśle określonej wielkości estymowanych zakupów jakich odbiorca dokona w czasie obowiązywania kontraktu, co było dotąd dość powszechną praktyką rynkową. There is a risk that recipients will submit orders that deviate quantitatively from the monthly plans adopted by the Group. This may result in the inability to meet demand or incomplete use of production capacity, which will have an impact on the results.

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

The stagnant market is forcing shops and retail chains to take aggressive measures to stimulate consumption and attract customers through promotions, shelf price reductions, often against the level of producer inflation. The gap between market expectations and producers' expectations may cause changes in the utilisation of production potentials and the flow of production and sales volumes in short-term periods on a more significant scale than was the case in the corresponding period of 2022.

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

Risk related to changes in raw material and material prices

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

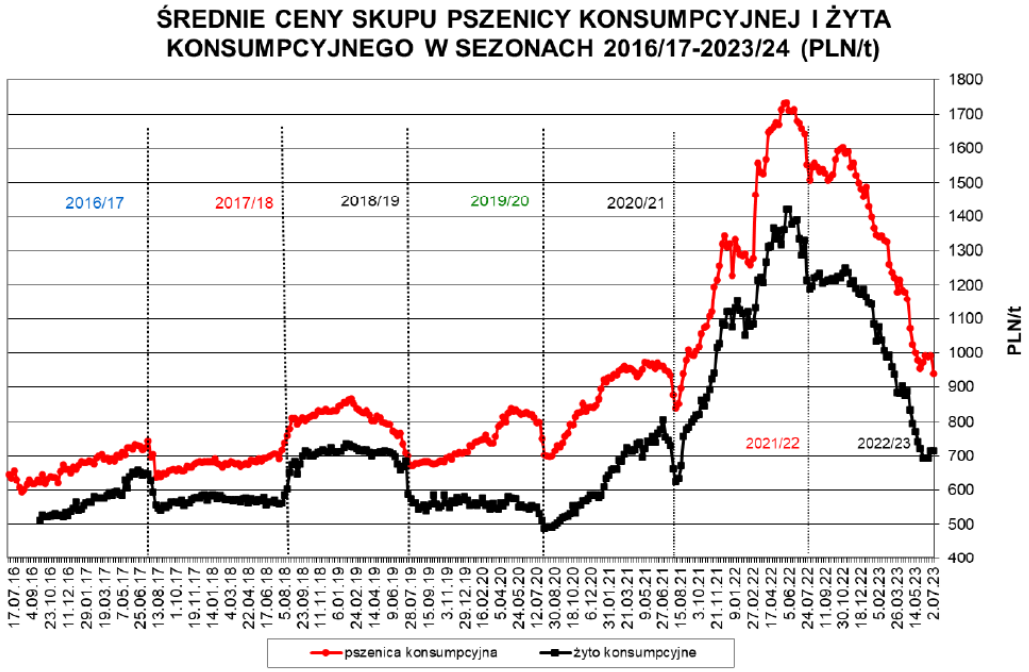
At the start of hostilities in Ukraine, at the end of March 2022, wheat prices rose sharply to Eur 384.50/t reaching levels unmatched in earlier years. Despite a successful harvest, high prices on the cereal markets persisted until the end of 2022. News of further increases in the price of energy carriers caused cereal producers to become very rigid in the fourth quarter of 2022 with regard to grain sales. Thus, the price of flour remained high. Despite the ongoing hostilities in Ukraine, the situation has started to calm down in the first quarter of 2023. The

extension by Russia of the agreement accepting the export of wheat by Ukraine and the information about very large world wheat stocks caused the market to calm down and, with such high wheat stocks, there was further stabilisation of prices on world stock exchanges.

It is worth noting that there were large stocks of wheat grain on the Polish and neighbouring markets in the first half of 2023. The situation was still complicated by information about a significant and uncontrolled inflow of wheat from Ukraine, which created the ground for tensions in the agricultural environment, lobbying actions, social pressure and the expectation of intervention actions at the national and European level. Such intervention took place, and the declared subsidies to farmers for each tonne of wheat sold significantly calmed the market. This resulted in a slight fall in flour prices. However, at the end of Q2, Russia threatened not to extend the agreement with Ukraine to sell grain beyond 15 July 2023. European markets again reacted with a gentle increase in wheat prices. In addition, the next wheat harvest, due to a significant drought, was forecast to be very moderate in quantity and quality. If the information about a weaker harvest in terms of quantity and quality is confirmed, prices could rise in the following quarters.

High prices also persisted in the durum wheat flour market, with semolina prices reaching unprecedented levels by December 2022. Ahead of the 2022/2023 harvest, demand for durum wheat, and thus semolina, outstripped supply, leading to price increases. Confirmed news of good harvest forecasts, particularly in Canada, had a positive effect on stabilising the price of durum wheat flour for the following season, with price stabilisation occurring at a high level. At the same time as the market calmed down, global durum wheat stocks began to be balanced. It turned out that stocks were significant and durum wheat prices fell slightly at the end of the first quarter of 2023. This situation continued into Q2 2023. It was only the information at the end of Q2 about the drought in Canada and the expected smaller harvest that caused a slight increase in the price of durum wheat and thus flour. An element that could effectively disrupt price stability in the durum wheat market in H2 2023 is the durum wheat harvest forecasts in North America. Already at this point, there is information about the significant negative impact of the drought on the durum wheat harvest in Canada and the United States.

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



Consumer rye Source: Weekly report on the market for cereals, oilseeds and feed materials - Cereal market week 27/2023, Sparks Polska

In the first half of 2022, egg prices remained high. This was certainly heavily influenced by the hostilities in Ukraine and the significant increases in feed and energy prices. After a slight calming of the market at high price levels, September 2022 saw another systematic increase in the price of egg pulp due to strong demand and the detection of further outbreaks of avian influenza. All these elements caused, at the end of 2022 and in the first quarter of 2023, the prices of eggs and egg pulp to reach very high levels, unprecedented in the history of the trade in these raw materials. A slight calming of the market and gentle price decreases only occurred at the end of March 2023. This gentle trend continued into Q2 2023. There was a further calming of the market. The holiday period is characterised by a cyclical reduction in demand for eggs. However, the prediction is that egg consumption will increase again in Q3 and thus prices will rise. The situation in subsequent periods will be influenced by factors such as the dynamics of the spread of avian influenza outbreaks, or increased demand for Polish eggs in Western European countries.

Significant price increases in 2022 also occurred in the foil and cardboard packaging market. The price increase in Q2 2022 compared to prices in Q4 2021 was approximately 140%. This high price level continued until the middle of Q4 2022. At the end of 2022, stabilisation and even gentle decreases in paper, cardboard and film prices could be observed in the market. These decreases were the result of reduced demand for packaging due to reduced consumption. In H1 2023, the market remained stable recording slight price adjustments depending on the business situation of suppliers. However, a message is already being sent

from the packaging market that due to rising costs (wages, fuel, etc.) an increase in the price of film and cardboard packaging is expected.

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

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

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

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

contract periods (e.g. one year) translates the risk of operating in the short term and the 'uncertainty of tomorrow' into customers.

Risk of variable legal and tax environment

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

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

Risk of wage pressure

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

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

Risk related to changes in exchange rates

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

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

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

Groups/categories of financial instruments	Balance sheet value as at 30.06.2023 PLN k	Currency exposure as at 30.06.2023 PLN k	EUR PLN k	USD PLN k
Financial assets				
Cash and cash equivalents	12,041	852	852	0
Trade receivables 32,589	43,862	979	979	0
Financial liabilities				
Trade liabilities	39,365	5,462	5,462	

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

Groups/categories of financial instruments	EUR		USD	
	5%	-5%	5%	-5%
	impact on the financial result PLN k		impact on the financial result PLN k	
Financial assets				
Cash and cash equivalents	42.6	- 42.6	0.0	0.0
Trade receivables (gross)	49.0	-49.0	-	-
Financial liabilities				
Trade liabilities	- 273.1	273.1	-	-

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

As at 30 June 2023, the Group had a liability due to loans taken out, in the amount of PLN 21,609 k:

Currency	Interest	Loans balance	Including loans	
			Short-term	Long-term
PLN	WIBOR + bank's margin	21,609	10,519	11,090

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 2023 is presented in the table below:

Groups/categories of financial instruments	Balance sheet value as at 30.06.2023 PLN k	Value at risk as at 30.06.2023 PLN k	WIBOR PLN k
Financial assets			
Cash in hand and at bank	12,041	-	-
Financial liabilities			

Bank loans	21,609	21,609	21,609
Other financial liabilities	1,033	1,033	1,033

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

Interest rate	Deviation assumptions (in percentage points) 30 June 2023		Value at risk as at 30.06.2023 PLN k	Impact on the financial result 30 June 2023 PLN k	
WIBOR	1%	-1%	21,609	- 216.1	216.1

Risk of insolvency of business partners

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

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

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

Selected financial data Makarony Polskie Group

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

- items of the statement of financial position have been converted at the average exchange rate announced by the National Bank of Poland as at the balance sheet date 30 June 2023, EUR 1= PLN 4.4503; 31 December 2022, EUR 1= PLN 4.6899
- items of the statement of comprehensive income and statement of cash flows have been converted at the exchange rate being the arithmetic average of the average rates set by the National Bank of Poland effective on the last day of each month of H1 2023 = PLN 4.6130 and at the end of each month of H1 2022 = PLN 4.5472.

Selected financial data	30 June 2023 (in PLN k)	30 June 2021 (in PLN k)	30 June 2023 in EUR k)	30 June 2022 EUR k)
Net revenues from sale of products, services, goods and materials	182,265	148,170	39,511	31,915
Profit (loss) from continued operations	21,373	17,865	4,633	3,848
Gross profit (loss)	20,443	16,660	4,432	3,588
Net profit (loss) from continued operations	16,485	14,139	3,574	3,045
EBIT	21,373	17,865	4,633	3,848
EBITDA (EBIT + depreciation)	28,411	22,291	6,159	4,801
Net cash flows from operating activities	14,326	8,175	3,105	1,761
Net cash flows from investment activities	- 2,607	- 16,377	- 565	- 3,527
Net cash flows from financial activities	- 7,506	- 9,804	- 1,627	- 2,112
Total net cash flows	4,213	- 18,006	913	- 3,878
Total assets ***	242,758	239,332	54,548	51,031
Liabilities and provisions for liabilities ***	109,888	116,418	24,692	24,823
Long-term liabilities ***	36,425	41,745	8,185	8,901
Short-term liabilities ***	73,463	74,673	16,507	15,922
Equity ***	132,870	122,914	29,856	26,208
Share capital ***	33,120	33,120	7,442	7,062
Number of shares (units)	11,040,071	11,040,071	11,040,071	11,040,071
Weighted average number of shares (in units) during the current financial year ***	11,040,071	11,040,071	11,040,071	11,040,071
Profit/loss per ordinary share (in PLN/EUR) *	1.49	1.28	0.32	0.28
Book value per one share (in PLN/EUR) **	12.04	11.13	2.71	2.37

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

Condensed consolidated statements of comprehensive revenues

For the period	Q2 of 2023	H1 of 2023	Q2 of 2022	H1 of 2022
Net sales revenue	**93,154**	**182,265**	**79,248**	**148,170**
Revenues from sales of other products and services	89,443	177,995	76,152	143,578
Net revenues from sales of goods and materials	3,711	4,270	3,096	4,592
Own cost	**69,167**	**136,290**	**60,245**	**116,299**
Production costs of products and services sold	66,010	132,544	57,363	112,313
Value of goods and materials sold	3,157	3,746	2,882	3,986
Gross profit (loss) on sales	**23,987**	**45,975**	**19,003**	**31,871**
Costs of sales	8,192	17,412	6,843	13,454
General administrative costs	3,699	5,859	2,343	4,458
Other revenues	1,268	1,669	658	5,194
Other costs	2,048	3,000	848	1,288
Profit (loss) from continued operations	**11,316**	**21,373**	**9,627**	**17,865**
Financial incomes	276	370	- 3	7
Financial costs	560	1,300	793	1,212
Gross profit (loss)	**11,032**	**20,443**	**8,831**	**16,660**
Income tax	1,836	3,958	1,779	2,521
Profit (loss) from continued operations, in this attributable to:	**9,196**	**16,485**	**7,052**	**14,139**
Shareholders of the parent Company	9,196	16,485	7,052	14,139
Basic net result per share in PLN	0.83	1.49	0.64	1.28
Diluted net result per share in PLN	0.83	1.49	0.64	1.28
Other total net income/loss	0	0	0	0
Total net income, in this attributable to:	9,196	16,485	7,052	14,139
Shareholders of the parent Company	9,196	16,485	7,052	14,139
Non-controlling shares				

Condensed consolidated statement of financial position

ASSETS	30 June 2023	31.12.2022	30.06.2022
FIXED ASSETS	**140,368**	**144,181**	**150,556**
Fixed tangible assets	128,120	131,475	134,354
Fixed assets - IFRS-16	3,294	3,699	3,043
Investment real estate 603	603	603	603
47,190	2,863	2,863	5,949
Other intangible assets	5,449	5,503	6,551
Long-term financial assets	0	0	0
Assets for deferred income tax	23	3	1
Other long-term assets	16	35	55
CURRENT ASSETS	**102,390**	**95,151**	**91,902**
Inventories	38,902	44,481	40,953
Short-term receivables	50,905	42,412	40,364
Corporate income tax receivables	2	0	508
Borrowings granted	0	0	0
Cash and cash equivalents	12,041	7,828	8,156
Other short-term assets	540	430	374
ASSETS FOR SALE		**0**	**1,547**
TOTAL ASSETS	**242,758**	**239,332**	**242,458**

LIABILITIES	30 June 2023	31.12.2022	30.06.2022
EQUITY	**132,870**	**122,914**	**112,519**
Revaluation capital	33,120	33,120	33,120
Supplementary capital	60,344	53,521	53,521
Reserve capital	12,000	12,000	12,000
Revaluation capital	0	114	38
Retained profits/losses (profit/loss from previous years)	27,406	24,159	13,840
LONG-TERM LIABILITIES	**36,425**	**41,745**	**47,981**
Provision for deferred income tax	3,980	5,088	6,490
Long-term bank loans and borrowings	11,090	13,133	17,229
Other long-term financial liabilities	0	0	93
Provision for pensions and similar (long-term)	926	495	487
Revenues of future periods - long-term	17,155	19,501	20,500
Long-term financial liabilities - leasing	3,274	3,528	3,182
SHORT-TERM LIABILITIES	**73,463**	**74,673**	**81,958**
Short-term bank loans and borrowings	10,519	13,220	11,332
Other short-term financial liabilities 368	93	807	1,371
Short-term financial liabilities - leasing	1,116	1,364	1,227
Financial liabilities due to dividend	6,624	0	3,312
Other short-term liabilities	44,490	52,886	60,693
Corporate income tax liabilities	3,058	2,349	234
Revenues of future periods - short-term	2,605	1,555	1,589
Provision for retirement and similar benefits (short-term)	2,765	2,421	1,528
Other short-term provisions	2,193	71	672

Condensed consolidated statement of financial position

TOTAL LIABILITIES	**109,888**	**116,418**	**129,939**
TOTAL LIABILITIES	**242,758**	**239,332**	**242,458**

Condensed consolidated statement of cash flows

Makarony Polskie SA Group	01.01.2023 30.06.2023	01.01.2021- 30.06.2021
Profit/loss before tax	**20,443**	**16,660**
Adjustments by items:		
Depreciation	7,038	4,426
Profits/losses on exchange differences	0	- 6
Interest expense and income	967	895
Profit/loss from investing activities	20	5
Change in provisions	2,898	970
Change in inventories	5,579	-19,571
Change in receivables	- 8,479	-15,445
Change in liabilities and other assets and liabilities	- 9,825	27,089
Other adjustments	- 17	- 4,750
Total adjustments	**-1,819**	**- 6,387**
Dividend revenues	0	0
Corporate income tax paid/reimbursed	- 4,298	- 2,098
Cash flows from net operating activities	**14,326**	**8,175**
Cash flows from investment activities		
Proceeds from the sale of fixed assets and intangible assets	65	21
Proceeds from sales of financial assets	0	0
Expenses for the acquisition of fixed tangible assets and intangible assets	- 2,911	- 4,035
Expenses for the acquisition of subsidiaries	0	-12,363
Interest income	239	0
Expenses for the purchase of financial assets	0	0
Proceeds from borrowings granted 0	0	0
Borrowings granted	0	0
Net cash flows from investment activities	**- 2,607**	**-16,377**
Cash flows from financial activities		
Proceeds from loans and borrowings	595	1,168
Proceeds from the issue of debt securities	0	0
Repayment of loans and borrowings	- 5,339	- 8,367
Payment of liabilities under financial lease agreements	- 842	- 939
Interest paid	- 1,206	- 895
Payment of other financial liabilities	-714	-771
Other financial revenues - subsidy	0	0
Net cash flows from financial activities	**- 7,506**	**- 9,804**
Increase/decrease in cash and cash equivalents	4,213	- 18,006
Cash, cash equivalents and overdrafts at the beginning of the period	**7,828**	**26,156**
Foreign exchange gains/losses on the valuation of cash, cash equivalents and overdrafts	0	6
Cash, cash equivalents and overdrafts at the end of the period, including	**12,041**	**8,156**
with restricted availability	**0**	**4,748**

Condensed consolidated statement of changes in equity

For the period from 01 January 2023 to 30 June 2023

	Core capital	Supplementary capital	Reserve capital	Revaluation capital	Retained profit/loss	In total
As at 01 January 2023	33,120	53,521	12,000	114	24,159	122,914
Distribution of profit/loss coverage	0	6,823	0	0	- 6,823	0
Profit distribution - dividend payment 0	0	0	0	0	-6,624	- 6,624
Other comprehensive income	0	0	0	0	0	0
14,139 14,139	0	0	0	95	0	95
Decrease in the period	0	0	0	-209	0	-209
Increase in the period	0	0	0	0	209	209
Net result after H1 2023	0	0	0	0	16,485	16,485
As at 30 June 2023	33,120	60,344	12,000	0	27,406	132,870

For the period from 01 January 2022 to 31 December 2022

	Core capital	Supplementary capital	Reserve capital	Revaluation capital	Retained profit/loss	In total
Balance as at 1 January 2022	27,750	43,091	24,888	0	5,925	101,654
Distribution of profit/loss coverage	0	2,912	0	0	- 2,912	0
Profit distribution - dividend payment 0	0	0	0	0	- 3,312	- 3,312
Costs of issuing series F shares	0	0	0	0	0	0
Series F shares issue	5,370	7,518	-12,888	0	0	0
Other comprehensive income	0	0	0	0	0	0
14,139 14,139	0	0	0	114	0	114
Net result in 2022	0	0	0	0	24,458	24,458
As at 31 December 2022	33,120	53,521	12,000	114	24,159	122,914

For the period from 01 January 2022 to 30 June 2022

	Core capital	Supplementary capital	Reserve capital	Revaluation capital	Retained profit/loss	In total
Balance as at 1 January 2022	27,750	43,091	24,888	0	5,925	101,654
Distribution of profit/loss coverage	0	2,912	0	0	- 2,912	0
Profit distribution - dividend payment 0	0	0	0	0	- 3,312	- 3,312
Costs of issuing series F shares	0	0	0	0	0	0
Series F shares issue	5,370	7,518	-12,888	0	0	0
Other comprehensive income	0	0	0	0	0	0
14,139 14,139	0	0	0	38	0	38
Net result after H1 2022	0	0	0	0	14,139	14,139
As at 30 June 2022	33,120	53,521	12,000	38	13,840	112,519

Additional notes

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

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

	Q2 of 2023	H1 of 2023	Q2 of 2022	H1 of 2022
Revenues from sales of products	87,936	174,942	75,087	141,116
Revenues from the sale of services, including:	1,507	3,053	1,065	2,462
- service production	326	666	502	862
- for lease, storage	1,063	2,248	525	1,553
- other	118	139	38	47
Revenues from sale of materials	2,562	2,578	474	1,868
Revenues from sale of goods	1,149	1,692	2,622	2,724
Total	**93,154**	**182,265**	**79,248**	**148,170**

In H1 2023, the Group recorded an approximately 23% increase in sales revenue compared to H1 2022. Sales revenue amounted to approximately PLN 182.3 million in this period.

The Group's revenue in Q2 2023 amounted to PLN 93.2 million and was approximately 17.5% higher than in the same period in 2022.

Operating segments

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

	Q2 of 2023	H1 of 2023	Q2 of 2022	H1 of 2022
Pasta	72,653	147,020	64,392	121,141
Meat and vegetable preserves	14,648	25,880	10,544	18,894
Vegetable and fruit preserves	2,042	4,224	1,971	4,616
Total	3,811	5,141	2,341	3,519
Total	**93,154**	**182,265**	**79,248**	**148,170**

The Group has applied IFRS 8 "Operating Segments". In accordance with the requirements of IFRS 8, operating segments should be identified based on internal reports on these elements, which are regularly verified by persons deciding on the allocation of resources to a given segment and assessing its financial results. In terms of assets and liabilities, the main bodies

responsible for making operational decisions do not analyze data cross-sectioned into operating segments.

Basic information about operating segments:

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

H1 of 2022	Pasta	Meat and vegetable preserves	Vegetable and fruit preserves	Other	Segments in total
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

Revenues from sales of the Makarony Polskie Group in 1H 2023 amounted to PLN 182.3 million and were higher by approximately 23% compared to 1H 2022 (by approximately PLN 34.1 million).

Revenues from sales in the pasta category in 1H 2023 increased by approximately PLN 25.9 million to approximately PLN 147.0 million. A leap in sales by approx. 21.4% was caused mainly by the following factors which occurred in the discussed period:

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

Comparing H1 2023 to the same period in 2022, gross profit on sales in the pasta segment increased by approximately PLN 11.75 million.

The Group's sales in the processed meat and vegetable segment increased by approximately PLN 7.0 million to approximately PLN 25.9 million in the analysed period. The growth by approx. 37% was caused by:

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

Comparing H1 2023 to the same period in 2022, the gross sales result in the processed meat and vegetable segment increased by approximately PLN 1.5 million.

Sales of the vegetable and fruit preserves category amounted to approximately PLN 4.2 million (a reduction of approximately PLN 0.4 million compared to H1 2022).

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

Q2 of 2022	Pasta	Meat and vegetable preserves	Vegetable and fruit preserves	Other	Segments in total
Revenues					
Sales to external customers	64,392	10,544	1,971	2,341	79,248
Sales between segments					
Total revenues of the Group	64,392	10,544	1,971	2,341	79,248
Costs					
Segment costs	47,585	8,690	1,868	2,102	60,245
Profits or losses of segments (gross result on sales)	16,807	1,854	103	239	19,003

The sales revenue of the Makarony Polskie Group in 2Q 2023 amounted to PLN 93.2 million and was higher by approximately 17.5% compared to 2Q 2022 (by approximately PLN 13.9 million).

Sales revenue in the pasta category in Q2 2023 amounted to approximately PLN 72.7 million (up by approximately 12.8% compared with the same period in 2022), and gross profit on sales amounted to approximately PLN 20.0 million (up by approximately 19.2%).

The Group's sales in the processed meat and vegetable segment in Q2 2023 amounted to approximately PLN 14.6 million and increased by approximately PLN 4.1 million (approximately 39.0%) compared with the corresponding period in 2022. The gross sales result in this segment increased by approximately 54.0% in Q2 2023 compared with the corresponding period in 2022.

Sales of the vegetable and fruit preserves category amounted to approximately PLN 2.0 million in Q2 2023.

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

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

For the period	Q2 of 2023	H1 of 2023	Q2 of 2022	H1 of 2022
Country	87,297	172,352	65,345	127,872
Exports, including:	5,857	9,913	13,903	20,298
- European Union countries	3,738	6,325	1,628	4,036
- other countries	2,119	3,588	12,275	16,262
Total	93,154	182,265	79,248	148,170

In H1 2023, the value of sales amounted to approximately PLN 172.4 million on the domestic market and approximately PLN 9.9 million in exports. In the corresponding period of 2022, these volumes amounted to approximately PLN 127.87 million and approximately PLN 20.3 million respectively.

In Q2 2023, the value of sales amounted to approximately PLN 87.3 million on the domestic market and approximately PLN 5.86 million in exports. In the corresponding period of 2022, these volumes amounted to approximately PLN 65.35 million and approximately PLN 13.9 million respectively.

The decrease in exports in H1 2023 compared to H1 2022 is due to a decrease in export sales to eastern markets due to the war in Ukraine.

Other operating income and expenses

OTHER REVENUES

For the period	Q2 of 2023	H1 of 2023	Q2 of 2022	H1 of 2022
State subsidies	907	1,296	388	777
Profit on sale of tangible fixed assets	0	0	0	0
Reversal of impairment losses on receivables	0	0	0	0
Reversal of impairment losses on inventory	71	71	239	239
Sale of scrap and waste	10	10	5	14
Profit on occasional acquisition	0	0	0	4,103
Refund of court and bailiff fees 2	0	0	1	2
Compensation and complaints	4	13	21	54
Reimbursement of social security contributions	0	0	3	4
Purchase discounts granted	34	34	0	0
Accounting for R&D relief retrospectively	216	216	0	0
Surplus inventories	3	3	0	0
Total	23	26	1	1
Total	**1,268**	**1,669**	**658**	**5,194**

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

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

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

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

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

OTHER COSTS

For the period	Q2 of 2023	H1 of 2023	Q2 of 2022	H1 of 2022
Loss from sale of fixed tangible assets	18	20	0	5
Creation of provisions		0	24	24
Write-down of receivables		0	133	133
Write-downs of inventories	834	1,093	175	175
Donations	10	16	7	7
Penalties and fines	108	110	6	14
Court and bailiff fees, adjudicated costs	6	8	21	21
Advertising sponsorship	71	79	47	57
Liquidation of damaged and expired inventories	287	520	34	49
R&D costs	586	1,011	405	789
Costs of insured repairs	0	15	0	11
Inveterate shortages	45	45	0	0
Total	83	83	- 4	3
Total	**2,048**	**3,000**	**848**	**1,288**

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

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

Other financial income and expenses

FINANCIAL INCOMES

For the period	Q2 of 2023	H1 of 2023	Q2 of 2022	H1 of 2022
Interest income, including:	156	246	5	7
- interest on loans and deposits	149	239	0	0
- interest on receivables	7	7	5	7
Profits on exchange differences	120	120	- 8	0

Profit on disposal of investments - shares 0	0	0	0	0
Total	0	4	0	0
Total	276	370	-3	7

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

FINANCIAL COSTS

For the period	Q2 of 2023	H1 of 2023	Q2 of 2022	H1 of 2022
Interest costs, including those relating to:	525	1,185	513	899
- bank loans	452	919	407	691
- factoring and leasing costs	50	173	89	131
- IFRS-16 interest costs	20	88	13	73
- other	3	5	4	4
Other financial costs, including:	35	115	280	313
- loss due to negative exchange rate differences	-36	0	146	146
- guarantee	8	18	8	17
- discount and bank commission costs	63	97	42	66
- other financial costs		0	84	84
Total	**560**	**1,300**	**793**	**1,212**

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

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

For the period	H1 of 2023	H1 of 2022
Net profit/loss per share	1.49	1.28
Book value per share in PLN (according to data as of 30.06.2023 and data as of 31.12.2022)	12.04	11.13

For the period	H1 of 2023	H1 of 2022
Net profit/loss from continuing operations attributable to shareholders of the parent company	16,485	14,139
Profit/loss on discontinued operations attributable to shareholders of the parent company		
Net profit/loss attributable to shareholders of the parent company	16,485	14,139
Net profit/loss attributable to ordinary shareholders applied to calculate diluted profit/loss per share	not applicable	not applicable

For the period	H1 of 2023	H1 of 2022
Weighted average number of issued ordinary shares applied to calculate basic earnings/loss per share	11,040,071	11,040,071
Impact of dilution	not applicable	not applicable
Adjusted weighted average number of ordinary shares applied to calculate diluted profit/loss per share	not applicable	not applicable

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

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

In the parent Company in H1 2023, there were no factors diluting the share capital.

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

Core capital

As at 30 June 2023 the share capital of Makarony Polskie SA amounted to PLN 33,120,213 and was divided as follows:

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

Information on changes in estimates related to the consolidated financial statements

CHANGES DUE TO PROVISIONS

Changes in provisions H1 2023	As at 01.01.2023	Creation	Use and release	As at the end of the period
For retirement and similar benefits, including:	2,916	1,278	503	3,691
a) long-term	495	431	0	926
b) short-term	2,421	847	503	2,765
Other provisions, including: 0	71	2,193	71	2,193
b) other	71	2,193	71	2,193
Total	2,987	3,471	574	5,884

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	As at the end of the period
For retirement and similar benefits, including:	1,651	353	980	68	2,916
a) long-term	400	159	0	64	495
b) short-term	1,251	194	980	4	2,421
Other provisions, including: 0	67	0	71	67	71
b) other	67	0	71	67	71
Total	1,718	353	1,051	135	2,987

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

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

DEFERRED INCOME TAX PROVISION ASSETS AND PROVISIONS

Changes in status H1 2023	As at 01.01.2023	Creation	Use and release	Balance at the end of the period
Asset for deferred income tax	942	1,014	430	1,526
Provision for deferred income tax	6,027	29	573	5,483
Asset/Provision after compensation	5,085			3,957

Changes in status H1 2022	As at 01.01.2022	Balance as at 03.01.2022 – taking	Creation	Use and release	Balance at the end of the period

		control of SAS			
Asset for deferred income tax	493	209	353	113	942
Provision for deferred income tax	3,705	3,072	17	767	6,027
Asset/Provision after compensation	3,212				5,085

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

In terms of income tax, the Group is subject to general regulations in this area. The Group is not a tax Group, as well as does not operate in a special economic zone, which would differentiate the rules for determining tax charges in relation to general provisions in this respect. The tax year and the balance sheet year coincide with the calendar year. On January 1, 2020, Makarony Polskie SA and Stoczek Natura Sp. z o.o. chose a simplified form of paying monthly advances on corporate income tax. As at 30 June 2023 a deferred tax provision in the amount of PLN 2,770 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 status H1 2023	As at 01.01.2023	Creation	Use and release	As at the end of the period
Write-downs of receivables	227	0	0	227
Write-downs of inventories	197	1,093	0	1,290
Write-downs of tangible fixed assets 0	1,443	0	119	1,324
Write-downs of intangible assets	4,583	0	0	4,583

Changes in status H1 2022	Balance as at 01.01.2022	Balance as at 03.03.2022 – taking control of SAS	Creation	Use and release	As at the end of the period
Write-downs of receivables	541	0	114	428	227
Write-downs of inventories	316	0	187	307	196
Write-downs of tangible fixed assets 0	1,356	0	152	65	1,443
Write-downs of intangible assets	3,420	0	1,163	0	4,583

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

Long-term and short-term financial liabilities

BANK LOAN LIABILITIES

	As at 30.06.2023	As at 31.12.2022
up to 1 year	10,519	13,220
More than one year	11,090	13,133
Total	**21,609**	**26,353**

LIABILITIES FROM FINANCE LEASING CONTRACTS

	Total present value of minimum fees	
	as at 30.06.2023	as at 31.12.2022
up to 1 year	377	439
within 1 to 5 years	657	670
Total	**1,034**	**1,109**

As at 30 June 2023, the Group's companies have fixed assets used under leasing agreements. The carrying value of machinery and equipment, cars and other fixed assets used under finance leases as at 30 June 2023 was PLN 1 496 000.

LIABILITIES FROM LEASING CONTRACTS - IFRS-16

	Total present value of minimum fees	
	as at 30.06.2023	as at 31.12.2022
up to 1 year - lease	735	921
up to 1 year – Perpetual usufruct right to land 4	4	4
within 1 to 5 years - lease	1,430	1,666
in the period over one year - Perpetual usufruct right to land	1,187	1,192
Total	3,356	3,783

As at 30 June 2023, the Group has fixed assets used under lease agreements. As at 30 June 2023, the carrying amount of property, plant and equipment and vehicles was PLN 4,790 thousand, including PLN 2,160 thousand from the lease of premises, PLN 1,134 thousand from the right of perpetual usufruct of land, and PLN 1,496 thousand from plant and equipment and vehicles.

SHORT-TERM FINANCIAL OBLIGATION - POLISH DEVELOPMENT FUND SUBSIDY

	as at 30.06.2023	as at 31.12.2022
up to 1 year	93	807
within 1 to 5 years	0	0
Total	**93**	**807**

As part of the financial shield, the Makarony Polskie SA Group received financial support in the form of subsidies from the Polish Development Fund. 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 a dividend in 1H 2023.

In 2023, the Management Board of the Company decided to recommend to the Annual General Meeting that the net profit for the period from 01 January 2022 to 31 December 2022 in the amount of PLN 10,462,290.10 should be divided as follows:

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

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

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

- the amount of PLN 6,624,042.60 was earmarked for the payment of dividends to shareholders in the gross amount of PLN 0.60 per share,
- the remaining part of the profit in the amount of PLN 3 838 247.50 was allocated to the Company's supplementary capital.

The dividend date was set for 14 July 2023. The dividend was paid on 21 August 2023. 11,040,071 Company shares were entitled to the dividend.

The Management Board of Makarony Polskie SA decided that in the next financial years it

would also try to recommend to the Annual General Meeting the payment of dividends to shareholders, although each time the possibility of paying a dividend will depend on the amount of profit achieved, current investment objectives and the situation.

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

The total value of remuneration paid to members of the Management Board of Makarony Polskie SA in the first half of 2023 was PLN 822 k, in the same period of 2022 it was the amount of PLN 638 k.

Remuneration of the members of the Supervisory Board of Makarony Polskie SA in the first half of 2023 amounted to PLN 89 k, in the same period of 2022 it was the amount of PLN 89 k.

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

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

Settlement between affiliates and subsidiaries

During the first half of 2023, the companies of the Makarony Polskie Group did not conclude any significant transactions with each other under the terms other than market terms.

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

Affiliate	Sales to affiliates- comprehensive income		Purchases from affiliates	
	For the period from 01.01 to 30.06.2023	For the period from 01.01 to 30.06.2022	For the period from 01.01 to 30.06.2023	For the period from 01.01 to 30.06.2022
Parent company - Makarony Polskie S.A.	810	224	29,755	26,668
- from/to Stoczek Sp. z o.o.	211	150	23,009	16,989
- from/to MP Trade Sp. z.o.o.	22	7	2,685	1,207
- from/to PPH „SAS" Sp. z o.o.	577	67	4,061	8,472

Affiliate	Receivables from affiliates	Liabilities towards affiliates

	As at 30.06.2023	As at 30.06.2022	As at 30.06.2023	As at 30.06.2022
Parent company - Makarony Polskie S.A.	81	102	10,471	4,410
- from/to Stoczek Sp. z o.o.	79	92	9,835	2,693
- from/to MP Trade Sp. z.o.o.	2	2	637	443
- from/to PPH „SAS" Sp. z o.o.	0	8	0	1,274

Settlements between subsidiaries

Subsidiaries	Sales between subsidiaries - total revenues		Purchases between subsidiaries	
	For the period from 01.01 to 30.06.2023	For the period from 01.01 to 30.06.2022	For the period from 01.01 to 30.06.2023	For the period from 01.01 to 30.06.2022
Total subsidiary	197	2	197	2
- from/to Stoczek Sp. z .o.o. 2	2	2	195	0
- from/to MP Trade Sp. z .o .o.	195	0	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 30.06.2023	As at 30.06.2022	As at 30.06.2023	As at 30.06.2022
Total subsidiary	0	0	0	0
- from/to Stoczek Sp. o.o. 0	0	0	0	0
- from/to MP Trade Sp. z.o.o.	0	0	0	0
- from/to PPH „SAS" Sp. z o.o.	0	0	0	0

Information on planned share issues

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

Authorisation for the Management Board to purchase own shares of Makarony Polskie 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 material for the Group's operations

During H1 2023 and up to the publication date of this report, the Company has not entered into any agreements that meet the criteria of a significant agreement.

Information on concluded and terminated loan and factoring agreements

LONG- AND SHORT-TERM LOANS AND BORROWINGS

	30.06.2023	31.12.2021
- long-term part	11,090	13,133
- short-term part	10,519	13,220
Total	**21,609**	**26,353**

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

– Overdraft in Santander Bank Polska SA

Loan terms and conditions	30 June 2023
Loan contractual value	PLN 5,000 k
Loan period	18.10.2013 – 01.06.2024
Interest rate	WIBOR 1M + the bank's margin that does not differ from the standards applied by the bank
Loan balance	PLN 0 k
Repayment schedule	once on the liability maturity date
Loan collateral	– joint mortgage up to PLN 17,000 on the following real estates: a) KW No. RZ1Z/00076860/5 in Rzeszów and KW No. PL1P/00094893/6 in Płock, together with the assignment of rights under the real estate insurance policy, b) KW no. PL1P/00097530/5, KW no. PL1P/00114158/9 and KW no. PL1P/00097363/3 (on the shares held) in Płock; – blank promissory note issued by the Company together with a promissory note declaration, – registered pledge on inventories with a value not lower than PLN 5,000 k with the assignment of rights under the pledge insurance policy, – surety of Stoczek Natura Sp. z o.o., – declaration on submission to enforcement made pursuant to Article 777 of the Code of Civil Procedure, in the form of a notarial deed.

During H1 2023, Makarony Polskie S.A. concluded an annex to the overdraft agreement with Santander Bank Polska, which extended the repayment date from 31 May 2023 to 01 June 2024.

– Investment loan at Santander Bank Polska SA

Loan terms and conditions	30 June 2023
Loan contractual value	PLN 13,849 k

Loan period	18.10.2013 – 30.12.2023
Interest rate	WIBOR 1M + the bank's margin that does not differ from the standards applied by the bank
Loan balance	PLN 729 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 2023
Loan contractual value	PLN 12,121 k
Loan period	07.02.2017 - 28.12.2023
Interest rate	WIBOR 3M + the bank's margin that does not differ from the standards applied by the bank
Loan balance	PLN 1,480 k
Repayment schedule	The loan will be repaid in 37 monthly installments, in the following amounts: 36 installments in the amount of PLN 50 k, 37th installment PLN 9,061 k, the received EU refinancing will reduce the balloon installment
Loan collateral	– joint mortgage up to PLN 18,200 on the following real estates: a) KW No. RZ1Z/00076860/5 in Rzeszów and KW No. PL1P/00094893/6 in Płock, together with the assignment of rights under the real estate insurance policy, b) KW no. PL1P/00097530/5, KW no. PL1P/00114158/9 and KW no. PL1P/00097363/3 (on the shares held) in Płock; – registered pledge on a semi-industrial line for trials and tests along with instrumentation, along with the assignment of rights under the insurance policy for the subject-matter of the pledge, – blank promissory note issued by the Company together with a promissory note declaration, – declaration on submission to enforcement made pursuant to Article 777 of the Code of Civil Procedure, in the form of a notarial deed.

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

– EU investment credit at Santander Bank Polska SA

Loan terms and conditions	30 June 2023
Loan contractual value	PLN 8 000 k
Loan period	15.09.2017 - 31.12.2023
Interest rate	WIBOR 3M + the bank's margin that does not differ from the standards applied by the bank
Loan balance	PLN 244 k
Repayment schedule*	The loan will be repaid in 49 principal installments, including 48 installments in the amount of PLN 33 k PLN, 49th installment in the amount of PLN 79 k.
Loan collateral	– joint mortgage up to PLN 2,500 on the following real estates: a) KW No. RZ1Z/00076860/5 in Rzeszów and KW No. PL1P/00094893/6 in Płock, together with the assignment of rights under the real estate insurance policy, b) KW no. PL1P/00097530/5, KW no. PL1P/00114158/9 and KW no. PL1P/00097363/3 (on the shares held) in Płock; – registered pledge on the technological line purchased under the grant project along with the assignment of rights under the insurance policy for the subject-matter of the pledge, – blank promissory note issued by the Company together with a promissory note declaration, – declaration on submission to enforcement made pursuant to Article 777 of the Code of Civil Procedure, in the form of a notarial deed.

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

– Investment loan at Santander Bank Polska SA

Loan terms and conditions	30 June 2023
Loan contractual value	PLN 4,400 k
Loan period	10.06.2021 – 30.01.2026
Interest rate	WIBOR 1M + the bank's margin that does not differ from the standards applied by the bank
Loan balance	PLN 3,327 k
Repayment schedule	The loan will be repaid in 41 equal monthly installments in the amount of 107 k each
Loan collateral	– de minimis guarantee in the amount of 80% of the Loan amount; – declaration on submission to enforcement made pursuant to Article 777 of the Code of Civil Procedure, in the form of a notarial deed. – blank promissory note issued by the Company together with a promissory note declaration, as colateral for the de minimis guarantee.

– Revolving loan in Santander Bank Polska SA

During H1 of 2023, the Company benefited from a working capital loan totalling PLN 1,700 thousand granted to it by Santander Bank Polska SA. In accordance with the

provisions of the agreement, the loan was repaid on the due date and therefore the obligations under the agreement between the Company and the Bank were extinguished.

– Investment loan at Santander Bank Polska SA

Loan terms and conditions	30 June 2023
Loan contractual value	PLN 12,000 k
Loan period*	07.12.2021 – 31.03.2029
Interest rate	WIBOR 1M + the bank's margin that does not differ from the standards applied by the bank
Loan balance	PLN 9,888 k
Repayment schedule	The loan will be repaid in 82 monthly installments in the following amounts: 81 installments of PLN 144 k each and the last 82 equalizing installments in the amount of PLN 96 k each.
Loan collateral	– – a contractual joint mortgage up to the amount of PLN 18,000 k on the Koprele real estates: KW No. OL1S/00032815/5, KW No. OL1S/00039349/6, KW No. OL1S/00044965/8 together with the assignment of rights under the real estate insurance policy; – registered pledge on 100% of shares in PPH SAS Andrzej Świderski Sp. z o.o., with the security expired due to the merger process, – accession to debt by SAS Sp. z o.o., however, due to the merger process the security expired, – blank bill of exchange issued by the Company together with a bill of exchange declaration, – the Company's declaration of submission to enforcement pursuant to Article 777 of the Code of Civil Procedure in the form of a notarial deed.

During 1H 2023, Makarony Polskie S.A. concluded an annex to the investment loan agreement with Santander Bank Polska, which, in connection with the merger of Makarony Polskie S.A. and SAS Sp. z o.o., specified the Company's obligations towards the Bank, i.e.

- upon the registration of the merger in the National Court Register, the security in the form of a registered pledge on 100% of shares in SAS Sp. z o.o. expired,
- upon the registration of the merger in the National Court Register, the security in the form of unconditional accession to debt by SAS Sp. z o.o. expired,
- as of the entry of the merger in the National Court Register, enforcement of claims from the declaration of SAS Sp. z o.o. on submission to enforcement ceased to apply.

– Overdraft in BNP Paribas Bank Polska SA

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

Loan balance	PLN 0 k
Repayment schedule	once on the liability maturity date
Loan collateral	– contractual mortgage up to the amount of PLN 10,500 thousand on real estate in Częstochowa marked with KW no. CZ1C/00111425/8 together with assignment of rights from the real estate insurance policy, – blank bill of exchange issued by the Company together with a bill of exchange declaration, – declaration on submission to enforcement made pursuant to Article 777 of the Code of Civil Procedure, in the form of a notarial deed.

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

Terms of the agreement	30 June 2023
Contractual value	PLN 7,500 k
Duration	Agreement concluded for an indefinite period
Interest rate	WIBOR 1M + the bank's margin that does not differ from the standards applied by the bank
Factoring balance	PLN 0 k
Contract collateral	– irrevocable power of attorney to the account, – blank promissory note with a promissory note declaration

During H1 2023, Makarony Polskie S.A. concluded an annex to the factoring agreement with Santander Factoring Sp. z o.o., which extended the factoring limit from 31 March 2023 to 31 January 2024.

The status of loan agreements in effect as at 30 June 2023, for which Stoczek Natura Sp. z o.o. was a party to the agreements, is presented in the tables below:

– Overdraft in Bank Gospodarstwa Krajowego

Loan terms and conditions	30 June 2023
Loan contractual value	PLN 4,000 k
Loan period*	16.11.2017 – 15.11.2024
Interest rate	WIBOR 3M + the bank's margin that does not differ from the standards applied by the bank
Loan balance	PLN 3,943 k
Repayment schedule	once on the liability maturity date

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

– Investment loan at Bank Gospodarstwa Krajowego*

Loan terms and conditions	30 June 2023
Loan contractual value	PLN 4,812 k
Loan period	08.07.2019 – 08.05.2025
Interest rate	WIBOR 3M + the bank's margin that does not differ from the standards applied by the bank
Loan balance	PLN 1,961 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.

* 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. z 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. carried out the purchase of fixed assets and the modernisation of production premises.

After the end of the reporting period - in July 2023 - Stoczek Natura Sp. z o.o. repaid the investment loan in full, thereby extinguishing all the Company's liabilities to the Bank.

INFORMATION ON LOANS GRANTED

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

During H1 of 2023, SAS Sp. z o.o. granted a short-term loan to its related company MP Trade Sp. z o.o. in the total amount of PLN 3.7 million, with a final repayment date of 30 December 2023. The loan was repaid during the reporting period.

Sureties and guarantees

Information on granted and received guaranties

In H1 of 2023, Makarony Polskie SA granted the guarantee to its affiliate SAS Sp. z o.o. The guarantees received were used by Makarony Polskie SA, Stoczek Natura Sp. z o.o. and SAS Sp. z o.o.

The list of guarantees in force at Makarony Polskie SA as at 30 June 2023 is illustrated in the table below:

Guarantor	Guarantee amount in PLN k	Validity of the guarantee	Subject of the guarantee	Collateral
Santander Bank Polska SA	157	until 31.01.2024	guarantee securing the Company's contractual obligations under the institutional contract concluded	– blank promissory note with a promissory note declaration
Santander Bank Polska SA	457	until 31.03.2027	guarantee securing the Company's contractual obligations under the institutional contract concluded	– joint mortgage of up to PLN 18,200 thousand on the Company's real estate in Rzeszów (KW no. RZ1Z/00076860/5) and in Płock (KW no. PL1P/00094893/6, KW no. PL1P/00097530/5, KW no. PL1P/00114158/9, KW no. PL1P/00097363/3) together with assignment of rights under the real estate insurance policy; – blank promissory note with promissory note declaration; – the Company's declaration of submission to enforcement pursuant to Article 777 of the Code of Civil Procedure in the form of a notarial deed.

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

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

During H1 2023, Stoczek Natura used a guarantee in the amount of PLN 335 thousand, securing the company's contractual obligations under a concluded institutional contract, granted by Bank Gospodarstwa Krajowego, which expired in the reporting period due to the release of the guarantee and the return of the original guarantee documents.

During H1 2023, Makarony Polskie S.A. granted a guarantee of PLN 800 thousand to its subsidiary SAS Sp. z o.o., securing the SAS company's liabilities under the concluded power purchase agreement.

Due to the merger of the companies, the guarantee expired.

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 2023 is presented below:

External liabilities	Creditor name	Amount of surety in PLN k	Expiration date	Balance of secured liabilities in PLN k as at 30.06.2023
Surety of overdraft facility in the amount of PLN 4.0 m Surety of investment loan in the amount of PLN 13.8 m	Bank BGK	6,000	16.05.2023	3,943
Surety of investment loan in the amount of PLN 4.8 m	Bank BGK	4,812	08.11.2025	1,961
Bank guarantee in the amount of PLN 2,2 m	Bank BGK	2,235	30.06.2025	-
Bank guarantee in the amount of PLN 0.5m	Bank BGK	559	30.09.2026	-

During H1 2023, Makarony Polskie S.A. granted a bank guarantee to Stoczek Natura Sp. z o.o. in the amount of PLN 335 k, which expired in the reporting period due to the release of the guarantee and return of the original guarantee documents.

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

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

External liabilities	Creditor name	Amount of surety in PLN k	Expiration date	Balance of the secured liabilities in PLN k as at 30.06.2023
Surety of overdraft facility in the amount of PLN 5.0 m	Santander Bank Polska SA	15,366	30.12.2026	0
Surety of investment loan in the amount of Surety of investment loan in the amount of PLN 13.8 m	Santander Bank Polska SA			729

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

MP Trade Sp. z o.o. did not issue any sureties during H1 2023.

Off-balance items

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

(in PLN k)*	30.06.2023	31.12.2022
1. Contingent assets	**3,467**	**3,243**
- received guarantees and sureties	3,408	3,184
- collaterals on assets	0	0
- promissory notes	59	59
2. Contingent liabilities	**157,762**	**185,337**
- for provided guarantees and warranties	0	0
- collaterals on property	123,685	141,685
- promissory note obligations	34,077	43,652
Total off-balance items	**-154,295**	**-182,094**

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

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

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

Other material events and transactions

In the first half of 2023, there were no material events or transactions other than those above described that required disclosure in these financial statements of the Group.

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

After the balance sheet date on 31 July 2023, the subsidiary Stoczek Sp. z o.o. repaid the investment loan in full in the amount of PLN 1,871 thousand.

Makarony Polskie
- SPÓŁKA AKCYJNA -

CONDENSED SEPARATE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01.01.2023 TO 30.06.2023

Makarony Polskie SA

Legal basis for preparation of financial statements of Makarony Polskie SA

Declaration of compliance and the basis for preparing the statements

The condensed consolidated financial statements of Makarony Polskie SA have been prepared on the basis of the International Accounting Standards as approved by the European Union (EU) and the related interpretations promulgated in the form of implementing regulations of the European Commission (hereinafter referred to as "IFRS"), applicable to interim financial reporting as approved by the European Union (IAS 34 "Interim Financial Reporting") in accordance with Article 55.5 of the Accounting Act (Dz. U. of 2023, item 120, as amended) and the implementing regulations issued on its basis, and in accordance with the requirements set out in the Regulation of the Minister of Finance of 29 March 2018 on current and periodic information provided by issuers of securities and the conditions for recognising as equivalent the information required by the laws of a non-member state (Dz. U. of 2018, item 757) published and in force at the time of preparation of these Condensed consolidated financial statements. The interim condensed financial statements do not include all information and disclosures required in the annual financial statements and should be read together with the Company's financial statements for the year ended December 2022.

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.

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

Legal basis for preparation of financial statements of Makarony Polskie SA

Accounting principles applied and the basis for preparing the statements

The accounting principles used to prepare the interim condensed financial statements are consistent with those applied to the preparation of the annual financial statements for the year ended 31 December 2022 (published on 15 April 2023). 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 27 September 2023

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

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

Changes to the rules for preparing financial statements

The accounting principles (policy) used to prepare these separate financial statements for the 6-month period ended 30 June 2023 are consistent with those applied to the preparation of the annual separate financial statements for the financial year ended 31 December 2022, except for the changes described below.

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

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.

- IFRS 17 Insurance contracts

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

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

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

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

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

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

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

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

Amendments introduced independently by the Company

The Company has not adjusted the presentation of the comparative data as at 31 December 2022 and for the period of 6 months ended 30 June 2023.

Non-applicable standards (New standards and interpretations)

Legal basis for preparation of financial statements of Makarony Polskie SA

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

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

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

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

  The Company will apply the amended standard not sooner than from 01 January 2024. As at the date of these financial statements, it is not possible to reliably estimate the impact of applying the new standard

- Amendment to IFRS 16 Leases Lease liability in sale and leaseback transactions published on 22 September 2022.

  The amendments require the seller-lessee to determine 'lease payments' or 'revised lease payments' so that the seller-lessee does not recognise any amount of gain or loss that relates to the right of use retained by the seller-lessee.

  The Company will apply the amendments to the standard from 1 January 2024. As at the date of these statements, it is not possible to reliably estimate the impact of applying the amended standard

- Amendments to IAS 12 Income Taxes: International Tax Reform - Model Rules Pillar II (Global Minimum Tax) published on 23 May 2023.

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

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

- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Financing Arrangements published on 25 May 2023.

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

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

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

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

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

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

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

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

Legal basis for preparation of financial statements of Makarony Polskie SA

Accounting principles applied

For the preparation of these condensed interim financial statements, the accounting principles have been applied unamended with respect to the principles applied in the preparation of the annual financial statements for 2022, (- note Declaration of compliance with regulations)

The new standards and interpretations that came into force in 2023 did not have a significant impact on the accounting principles applied by the Company.

Uncertainty of estimates

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

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

As at 31.12.2022, the company has prepared impairment tests on the shares held in subsidiaries and the ABAK brand. As at 30.06.2023, the company analysed potential premises resulting in the need to prepare new impairment tests for the indicated assets. As a result of the analysis, no premises resulting in the need to prepare new impairment tests were identified. Further tests will be prepared as at 31.12.2023.

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 2023.

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

Impact of the COVID-19 pandemic on the business of Makarony Polskie S.A.

The impact of the Covid-19 pandemic on the business and financial performance of the Makarony Polskie SA in H1 2023 was insignificant.

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

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

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

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

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

- insurance institutions are withdrawing from insuring contracts with Ukrainian clients, which results in limited possibilities of granting trade credit for Ukrainian clients and imposes cooperation on prepayment basis.
- in connection with unrestricted inflow of raw materials and materials, a ban on the import of grain and grain products, e.g. flour, from the territory of Ukraine was introduced, which closed for a certain period the possibility of developing cooperation with suppliers from the Ukrainian market in the situation of products for which there is no alternative on the domestic market.

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

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

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

At this moment, despite the war that has been going on for 18 months, it is difficult to predict the further situation in Ukraine and its impact on the situation of the Makarony Polskie Company, but it should be stated that as of today, the impact, both in the area of export sales and purchase of raw materials, is not significant. Other factors, such as turbulence on the energy and gas market and inflation, have a much greater impact on the situation of the food business in Poland.

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

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

Legal basis for preparation of financial statements of Makarony Polskie SA

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

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

Selected financial data of Makarony Polskie SA

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

- items of the statement of financial position have been converted at the average exchange rate announced by the National Bank of Poland as at the balance sheet date 30 June 2023, EUR 1= PLN 4.4503; 31 December 2022, EUR 1= PLN 4.6899
- items of the statement of comprehensive income and statement of cash flows have been converted at the exchange rate being the arithmetic average of the average rates set by the National Bank of Poland effective on the last day of each month of H1 2023 = PLN 4.6130 and at the end of each month of H1 2022 = PLN 4.6427.

Selected financial data	30.06.2023 (in PLN k)	30.06.2022 (in PLN k)	30.06.2023 (in EUR k)	30.06.2022 (in EUR k)
Net revenues from sale of products, services, goods and materials	138,552	112,942	30,035	24,327
Profit (loss) from continued operations	10,268	7,509	2,226	1,617
Gross profit (loss)	9,521	6,616	2,064	1,425
Net profit (loss) from continued operations	7,672	5,249	1,663	1,131
EBIT	10,268	7,509	2,226	1,617
EBITDA (EBIT + depreciation)	14,976	10,565	3,246	2,276
Net cash flows from operating activities	19,380	5,101	4,201	1,099
Net cash flows from investment activities	- 1,846	- 15,633	- 400	- 3,367
Net cash flows from financial activities	- 6,503	- 7,946	- 1,410	- 1,712
Total net cash flows	11,031	-18,478	2,391	- 3,980
Total assets ***	224,580	195,318	50,464	41,647
Liabilities and provisions for liabilities ***	99,668	91,268	22,396	19,461
Long-term liabilities ***	31,631	32,963	7,108	7,029
Short-term liabilities ***	68,037	58,305	15,288	12,432
Equity ***	124,912	104,050	28,068	22,186
Share capital ***	33,120	33,120	7,442	7,062
Number of shares (units)	11,040,071	11,040,071	11,040 071	11,040 071
Weighted average number of shares (in units) during the current financial year ***	11,040 071	11,040 071	11,040 071	11,040 071
Profit/loss per ordinary share (in PLN/EUR) *	0.69	0.48	0.15	0.10
Book value per one share (in PLN/EUR) **	11.31	9.42	2.54	2.01

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

Condensed statement of comprehensive income of Makarony Polskie SA

Makarony Polskie SA	Q2 of 2023	H1 of 2023	Q2 of 2022	H1 of 2022
Revenues from sales	**72,213**	**138,552**	**61,190**	**112,942**
Revenues from sales of other products and services	53,987	108,906	45,433	87,539
Net revenues from sales of materials and goods	18,226	29,646	15,757	25,403
Own cost	**55,768**	**108,177**	**48,640**	**91,068**
Production costs of products and services sold	39,314	81,146	33,988	68,115
Value of goods and materials sold	16,454	27,031	14,652	22,953
Gross profit (loss) on sales	**16,445**	**30,375**	**12,550**	**21,874**
Costs of sales	6,726	14,513	5,779	11,115
General administrative costs	2,824	4,372	1,605	2,741
Other revenues	805	1,141	343	691
Other costs	1,509	2,363	798	1,200
Profit (loss) from continued operations	**6,191**	**10,268**	**4,711**	**7,509**
Financial incomes	221	259	10	35
Financial costs	442	1,006	579	928
Gross profit (loss)	**5,970**	**9,521**	**4,142**	**6,616**
Income tax	997	1,849	855	1,367
Profit (loss) from continued operations, in this attributable to:	**4,973**	**7,672**	**3,287**	**5,249**
Shareholders of the parent Company	4,973	7,672	3,287	5,249
Basic net result per share in PLN	0.45	0.69	0.30	0.48
Diluted net result per share in PLN	0.45	0.69	0.30	0.48
Other total net income/loss	0	0	0	0
Total net income, in this attributable to:	**4,973**	**7,672**	**3,287**	**5,249**
Shareholders of the parent Company	4,973	7,672	3,287	5,249
Non-controlling shares				

Condensed statements of the financial position of Makarony Polskie SA

ASSETS	30.06.2023	31.12.2022	30.06.2022
FIXED ASSETS	**132,649**	**132,805**	**134,783**
Fixed tangible assets	93,298	76,063	78,599
Fixed assets - IFRS-16	3,294	3,504	3,043
Investment real estate 603	603	603	603
Other intangible assets	5,359	5,411	5,293
47,190			
Non-current financial assets of which	30,080	47,190	47,190
Shares	30,080	47,190	47,190
Borrowings granted	0	0	0
Assets for deferred income tax	0	0	0
Other long-term assets	15	34	55
CURRENT ASSETS	**91,931**	**62,513**	**65,187**
Inventories	28,868	29,809	24,849
Short-term receivables	49,068	29,915	29,921
Corporate income tax receivables	0	0	508
Borrowings granted	2,011	2,012	2,005
Cash and cash equivalents	11,492	461	7,654
Other short-term assets	492	316	250
ASSETS FOR SALE	**0**	**0**	**0**
TOTAL ASSETS	**224,580**	**195,318**	**199,970**

LIABILITIES	30.06.2023	31.12.2022	30.06.2022
EQUITY	**124,912**	**104,050**	**98,837**
Revaluation capital	33,120	33,120	33,120
Supplementary capital	52,306	48,468	48,468
Reserve capital	12,000	12,000	12,000
Retained profits/losses (profit/loss from previous years)	27,486	10,462	5,249
LONG-TERM LIABILITIES	**31,631**	**32,963**	**38,315**
Provision for deferred income tax	4,015	2,213	3,371
Long-term bank loans and borrowings	10,199	11,707	15,269
Other long-term financial liabilities	0	0	31
Provision for pensions and similar (long-term)	872	340	321
Revenues of future periods - long-term	13,271	15,332	16,141
Long-term financial liabilities - leasing	3,274	3,371	3,182
SHORT-TERM LIABILITIES	**68,037**	**58,305**	**62,818**
Short-term bank loans and borrowings	5,506	8,740	7,418
Other short-term financial liabilities 368	31	214	368
Short-term financial liabilities - leasing	1,116	1,169	1,055
Financial liabilities due to dividends	6,624	0	3,312
Other short-term liabilities	46,014	44,108	47,812
Corporate income tax liabilities 0	2,520	1,237	0
Revenues of future periods - short-term	2,227	1,273	1,302

Condensed statements of the financial position of Makarony Polskie SA

Provision for retirement and similar benefits (short-term)	2,143	1,564	936
Other short-term provisions	1,856	0	615
TOTAL LIABILITIES	**99,668**	**91,268**	**101,133**
TOTAL LIABILITIES	**224,580**	**195,318**	**199,970**

Condensed Statement of Cash Flows of Makarony Polskie SA

Makarony Polskie SA	01.01.2023 30.06.2023	01.01.2021- 30.06.2021
Profit/loss before tax	**9,521**	**6,616**
Adjustments by items:		
Depreciation	4,708	3,056
Profits/losses on exchange differences	0	- 11
Interest expense and income	772	709
Profit/loss from investing activities	- 5	- 3
Change in provisions	2,968	665
Change in inventories	941	- 11,442
Change in receivables	-19,791	- 8,091
Change in liabilities and other assets and liabilities	780	14,616
Other adjustments	21,089	0
Total adjustments	**11,462**	**- 501**
Dividend revenues	0	0
Corporate income tax paid/reimbursed	-1,603	- 1,014
Cash flows from net operating activities	**19,380**	**5,101**
Cash flows from investment activities		
Proceeds from the sale of fixed assets and intangible assets	11	21
Proceeds from sales of financial assets	0	0
Expenses for the acquisition of fixed tangible assets and intangible assets	- 1,982	- 3,319
Expenses for the acquisition of subsidiaries	0	-12,363
Interest income	125	28
Expenses for the purchase of financial assets	0	0
Proceeds from borrowings granted 0	0	0
Borrowings granted	0	0
Net cash flows from investment activities	**- 1,846**	**- 15,633**
Cash flows from financial activities		
Proceeds from loans and borrowings	37	1,060
Proceeds from dividends	0	676
Proceeds from the issue of debt securities	0	0
Repayment of loans and borrowings	- 4,779	- 7,832
Payment of liabilities under financial lease agreements	- 668	- 927
Interest paid	- 909	- 739
Payment of other financial liabilities	-184	-184
Other financial revenues - subsidy	0	0
Net cash flows from financial activities	**- 6,503**	**- 7,946**
Increase/decrease in cash and cash equivalents	11,031	- 18,478
Cash, cash equivalents and overdrafts at the beginning of the period	**461**	**26,121**
Foreign exchange gains/losses on the valuation of cash, cash equivalents and overdrafts	0	11
Cash, cash equivalents and overdrafts at the end of the period, including	**11,492**	**7,654**
with restricted availability	**0**	**4,748**

Condensed statement of changes in equity of Makarony Polskie SA

For the period from 01 January 2023 to 30 June 2023

	Core capital	Supplementary capital	Reserve capital	Retained profit/loss	In total
As at 1 January 2023	**33,120**	**48,468**	**12,000**	**10,462**	**104,050**
Distribution of profit/loss coverage		3,838		-3,838	
Profit distribution - dividend payment				- 6,624	- 6,624
Other comprehensive income					
Settlement of merger transactions				19,814	19,814
Net result after H1 2023				7,672	7,672
As at 30 June 2023	**33,120**	**52,306**	**12,000**	**27,486**	**124,912**

For the period from 01 January 2022 to 31 December 2022

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

For the period from 01 January 2022 to 30 June 2022

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

Additional notes

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

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

	Q2 of 2023	H1 of 2023	Q2 of 2022	H1 of 2022
Revenues from sales of products	53,284	107,511	44,567	85,807
Proceeds from the sale of services, including:	703	1,395	866	1,732
- marketing and distribution services	77	133	15	33
- manufacturing services	320	622	492	836
- for lease and storage	267	561	313	795
- for administrative and office services	29	50	12	21
- other	10	29	34	47
Revenues from sale of materials	1,568	2,137	1,817	1,833
Revenues from sale of goods	16,658	27,509	13,940	23,570
Total	**72,213**	**138,552**	**61,190**	**112,942**

The sales revenues of Makarony Polskie SA Company in the first half 2023 amounted to PLN 138.6 m and were by approx. PLN 25.6 m higher than in the corresponding period of 2022.

The Company's revenue in Q2 2023 amounted to PLN 72.2 million, an increase of approximately PLN 11.0 million compared to Q2 2022.

Operating segments

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

	Q2 of 2023	H1 of 2023	Q2 of 2022	H1 of 2023
Pasta	55,437	110,644	48,904	91,331
Meat and vegetable preserves	12,785	20,763	8,104	14,253
Vegetable and fruit preserves	2,029	4,198	1,964	4,589
Total	1,962	2,947	2,218	2,769
Total	**72,213**	**138,552**	**61,190**	**112,942**

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

Basic information about operating segments:

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

H1 of 2022	Pasta	Meat and vegetable preserves	Vegetable and fruit preserves	Other	Segments in total
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

Sales revenue of Makarony Polskie in 1H 2023 amounted to PLN 138.5 million and was higher by approximately 22.7% compared to 1H 2022 (an increase of approximately PLN 25.6 million).

Revenue from sales in the pasta category in H1 2023 increased by approximately PLN 19.3 million to approximately PLN 110.6 million. A leap in sales by approx. 21.1% was caused mainly by the following factors which occurred in the discussed period:

- synergy effects in production processes and sales teams following the acquisition of SAS Sp. z o.o.,

– price increases in the products offered forced by the shock increase in producer inflation levels resulting from the geopolitical situation.

When comparing the first half of 2023 to the corresponding period in 2022, the gross sales result in the pasta segment increased by approx. PLN 8.7 m, i.e. approx. 45.4%.

The Company's sales in the processed meat and vegetable segment increased in the analysed period by approximately PLN 6.5 million to approximately PLN 20.8 million (an increase of approximately 45.7%) compared with the same period in 2022. The gross sales result increased by approximately 7.5%.

Sales of the vegetable and fruit preserves category amounted to approximately PLN 4.2 million in H1 2023. The decrease of approximately PLN 0.4 million compared to the corresponding period of 2022 was due to a reduction in the number of indexes produced, including the withdrawal of Stoczek Natura Sp. z o.o. from the sale of vegetable preserves under the Tenczynek brand, in order to focus sales on products with greater market potential.

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

Q2 of 2022	Pasta	Meat and vegetable preserves	Vegetable and fruit preserves	Other	Segments in total
Revenues					
Sales to external customers	48,904	8,104	1,964	2,218	61,190
Sales between segments					
Total revenues	48,904	8,104	1,964	2,218	61,190
Costs					
Segment costs	37,485	7,295	1,876	1,984	48,640
Profits or losses of segments (gross result on sales)	11,419	809	88	234	12,550

Sales revenue of Makarony Polskie S.A. in 2Q 2023 amounted to PLN 72.2 million and was higher by approximately 18% compared to 2Q 2022.

Sales revenue in the pasta category in 2Q 2023 increased by approximately PLN 6.5 million to approximately PLN 55.4 million (an increase of approximately 13.4%). The gross sales result in this period increased by approximately PLN 3.4 million, i.e. approximately 30.1%.

The company's sales in the processed meat and vegetable segment increased in the analysed period by approximately PLN 4.7 million to approximately PLN 12.8 million (an increase of approximately 57.8%) compared with the same period in 2022. The gross sales result increased by approximately PLN 416 000, i.e. approximately 51.4%.

Sales of the vegetable and fruit preserves category amounted to approximately PLN 2.0 million in the analysed period.

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

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

For the period	Q2 of 2023	H1 of 2023	Q2 of 2022	H1 of 2022
Country	66,912	129,757	47,683	93,673
Exports, including:	5,301	8,795	13,507	19,269
- European Union countries	3,181	5,206	1,232	3,007
- other countries	2,120	3,589	12,275	16,262
Total	**72,213**	**138,552**	**61,190**	**112,942**

In H1 2023, the value of sales amounted to approximately PLN 129.8 million on the domestic market and approximately PLN 8.8 million in exports. In the corresponding period of 2022, these volumes amounted to approximately PLN 93.7 million and approximately PLN 19.3 million respectively.

In Q2 2023, sales volumes amounted to approximately PLN 66.9 million on the domestic market and approximately PLN 5.3 million in exports. In the corresponding period of 2022, these volumes amounted to approximately PLN 47.7 million and approximately PLN 13.5 million respectively.

The decrease in exports in the first half of 2023 compared to the corresponding period of 2022 is due to a decrease in export sales to eastern markets due to the war in Ukraine.

Other operating income and expenses

OTHER REVENUES

For the period	Q2 of 2023	H1 of 2023	Q2 of 2022	H1 of 2022
State subsidies	789	1,107	318	636
Profit on sale of tangible fixed assets	5	5	0	3
Reversal of impairment losses on receivables	0	0	0	0
Sale of scrap and waste	4	6	2	4
Compensation and complaints	4	19	19	41
Reimbursement of social security contributions	0	0	4	4
Refund of court and bailiff fees	0	0	0	2
Total	3	4	0	1
Total	**805**	**1,141**	**343**	**691**

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

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

OTHER COSTS

For the period	Q2 of 2023	H1 of 2023	Q2 of 2022	H1 of 2022
Creation of provisions	0	0	0	0
Write-down of receivables	0	0	133	133
Write-downs of inventories	834	1,093	175	175
Donations	6	7	5	5
Contractual penalties	1	4	6	6
R&D costs	586	1,011	405	789
Litigation costs	0	0	21	21
Sponsoring	72	72	42	44
Liquidation of damaged and expired inventories	10	161	11	26
Total	0	15	0	1
Total	**1,509**	**2,363**	**798**	**1,200**

Other costs include costs and losses not directly related to the Company's operating activities. This category includes losses on the sale of tangible fixed assets, donations made in kind and

in cash to other entities, including public benefit entities, and the effects resulting from concluded commercial agreements, guarantees and sureties granted to other entities.

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

Other financial income and expenses

FINANCIAL INCOMES

For the period	Q2 of 2023	H1 of 2023	Q2 of 2022	H1 of 2022
Interest income, including:	91	129	10	35
- interest on loans	35	69	10	30
- interest on bank deposits	56	56	0	
- interest on other receivables	0	4	0	5
Profits on exchange differences	130	130	0	0
Profit on disposal of investments - shares 0	0	0	0	0
Total	0	0	0	0
Total	**221**	**259**	**10**	**35**

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

FINANCIAL COSTS

For the period	Q2 of 2023	H1 of 2023	Q2 of 2022	H1 of 2023
Interest costs, including those relating to:	390	909	413	740
- bank loans	323	656	314	541
- factoring and leasing costs	48	168	84	124
- costs on liabilities	0	0	1	1
- IFRS-16 interest costs	19	85	14	74
- other	0	0	0	0
Other financial costs, including:	52	97	166	188
- loss due to negative exchange rate differences	0	0	39	38
- commissions, guarantee	0	0		66
- discount costs 0	0	0	43	0
- other financial costs	52	97	84	84
Total	**442**	**1,006**	**579**	**928**

Financial costs include costs due to the use of external financing sources, i.e.: loans,

borrowings, trade liabilities, financial lease agreements to which the Company is a party and other financial costs. Financial activities also include foreign exchange losses.

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

For the period	H1 of 2023	H1 of 2022
Net profit/loss per share	0.69	0.48
Book value per share in PLN (according to data as of 30.06.2023 and data as of 31.12.2022)	11.31	9.42

For the period	H1 of 2023	H1 of 2022
Net profit/loss from continuing operations attributable to shareholders of the parent company	7,672	5,249
Profit/loss on discontinued operations attributable to shareholders of the parent company		
Net profit/loss attributable to shareholders of the parent company	7,672	5,249
Net profit/loss attributable to ordinary shareholders applied to calculate diluted profit/loss per share	not applicable	not applicable

For the period	H1 of 2023	H1 of 2022
Weighted average number of issued ordinary shares applied to calculate basic earnings/loss per share	11,040,071	11,040 071
Impact of dilution	not applicable	not applicable
Adjusted weighted average number of ordinary shares applied to calculate diluted profit/loss per share	not applicable	not applicable

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

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

In the first half of 2023, there were no factors diluting the share capital.

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

Long-term financial assets

Other long-term financial assets	30.06.2023	31.12.2022

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.	0	17,110
Total long-term financial assets	30,080	47,190

Information on changes in estimates related to the separate financial statements

CHANGES DUE TO PROVISIONS

H1 of 2023	As at 01.01.2023	As of 26.06.2023 - connection	Creation	Use and release	As at the end of the period
For retirement and similar benefits, including:	1,904	352	1,256	497	3,015
a) long-term	340	110	422	0	872
b) short-term	1,564	242	834	497	2,143
Other provisions, including: 0	0	0	1,856	0	1,856
b) other	0	0	1,856	0	1,856
Total	**1,904**	**352**	**3,112**	**497**	**4,871**

2022	Balance at the beginning of the period	Creation	Use and release	As at the end of the period
For retirement and similar benefits, including:	1,207	706	9	1,904
a) long-term	345	0	5	340
b) short-term	862	706	4	1,564
Other provisions, including: 0	0	0	0	0
a) provision for the audit of the financial statements 0	0	0	0	0
b) other	0	0	0	0
Total	**1,207**	**706**	**9**	**1,904**

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

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

DEFERRED INCOME TAX PROVISION ASSETS AND PROVISIONS

H1 of 2023	As at 01.01.2023	As of 26.06.2023 - connection	Creation	Use and release	As at the end of the period
Asset for deferred income tax	584	67	866	273	1,244
Provision for deferred income tax	2,797	2,735	27	300	5,259
Asset/Provision after compensation					4,015

2022	Balance as at 01.01.2022	Creation	Use and release	As at the end of the period
Asset for deferred income tax	327	271	14	584
Provision for deferred income tax	3,392	4	599	2,797
Asset/Provision after compensation				2,213

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 2023, a deferred tax liability of PLN 2,275 thousand has been recognised as the difference between the prepayments shown in the statement of comprehensive income and the actual tax resulting from the calculated tax base shown as a corporate tax liability in the statement of financial position.

WRITE-DOWNS ON ASSETS

H1 of 2023	As at 01.01.2023	Creation	Use and release	As at the end of the period
Write-downs of receivables	222	0	0	222
Write-downs of inventories	188	1,093	0	1,281
Write-downs of tangible fixed assets 0	0	0	0	0

2022	Status as at 01.01.2022	Creation	Use and release	As at the end of the period
Write-downs of receivables	440	114	332	222
Write-downs of inventories	83	188	83	188
Write-downs of tangible fixed assets 0	0	0	0	0

During the first half of 2022, there were premises for a write-down of inventories and trade receivables in the amount of PLN 308 k. During H1 2023, there were indications of a write-down of inventories and trade receivables of PLN 1,093 k.

Long-term and short-term financial liabilities

BANK LOAN LIABILITIES

	As at 30.06.2023	As at 31.12.2022
up to 1 year	5,506	8,740
More than one year	10,199	11,707
Total	**15,705**	**20,447**

LIABILITIES FROM FINANCE LEASING CONTRACTS

	Total present value of minimum fees	
	as at 30.06.2023	as at 31.12.2022
up to 1 year	377	285
within 1 to 5 years	657	670
Total	**1,034**	**955**

LIABILITIES FROM LEASING CONTRACTS - IFRS-16

	Total present value of minimum fees	
	as at 30.06.2023	as at 31.12.2022
up to 1 year - lease	735	880
up to 1 year – Perpetual usufruct right to land 4	4	4
within 1 to 5 years - lease	1,430	1,510
in the period over one year - Perpetual usufruct right to land	1,187	1,191
Total	**3,356**	**3,585**

As at 30 June 2023, the company has fixed assets used under lease agreements. As at 30 June 2023, the carrying amount of property, plant and equipment and vehicles was PLN 4,790 thousand, including PLN 2,160 thousand from the lease of premises, PLN 1,134 thousand from

the right of perpetual usufruct of land, and PLN 1,496 thousand from plant and equipment and vehicles.

SHORT-TERM FINANCIAL OBLIGATION - POLISH DEVELOPMENT FUND SUBSIDY

	As at 30.06.2023	As at 31.12.2022
up to 1 year	31	214
within 1 to 5 years	0	0
Total	**31**	**214**

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 parent company

The total value of remuneration paid to members of the Management Board of Makarony Polskie SA in the first half of 2023 was PLN 822 k, in the same period of 2022 it was the amount of PLN 638 k.

Remuneration of the members of the Supervisory Board of Makarony Polskie SA in the first half of 2023 amounted to PLN 89 k, in the same period of 2022 it was the amount of PLN 89 k.

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

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

Settlement between affiliates

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

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

Affiliate	Sales to affiliates- comprehensive income		Purchases from affiliates	
	for the period from 01.01 to 30.06.2023	for the period from 01.01 to 30.06.2022	for the period from 01.01 to 30.06.2023	for the period from 01.01 to 30.06.2022
Parent company - Makarony Polskie S.A.	810	224	29,755	26,668
- from/to Stoczek Sp. z o.o.	211	150	23,009	16,989
- from/to MP Trade Sp. z.o.o.	22	7	2,685	1,207
- from/to PPH „SAS" Sp. z o.o.	577	67	4,061	8,472

Affiliate	Receivables from affiliates		Liabilities towards affiliates	
	As at 30.06.2023	As at 30.06.2022	as at 30.06.2023	as at 30.06.2022
Parent company - Makarony Polskie S.A.	81	102	10,471	4,410
- from/to Stoczek Sp. z o.o.	79	92	9,835	2,693
- from/to MP Trade Sp. z.o.o.	2	2	637	443
- from/to PPH „SAS" Sp. z o.o.	0	8	0	1,274

Information on planned share issues

During the first half of 2023 and until the date of publication of these statements, the Company did not issue any shares.

Agreements and events material for the Company's operations

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

Information on credits and loans taken out by the Company

LOANS CONTRACTED, INCLUDING THEIR MATURITY DATES

	As at 30.06.2023	As at 31.12.2022
up to 1 year	5,506	8,740
more than one year	10,199	11,707
Total	15,705	20,447

Loan agreements concluded by Makarony Polskie SA as at 30 June 2023 are described in detail in the condensed consolidated financial statements of the Makarony Polskie Group.

INFORMACJE O UDZIELONYCH POŻYCZKACH

As at 30 June 2023, 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 2023 (one-off repayment until the maturity date of the liability). The interest rate on the loan was set based on market conditions.

Guarantees and sureties

Information on guarantees and sureties granted and received by Makarony Polskie SA as at 30 June 2023 has been described in detail in the condensed consolidated financial statements of the Makarony Polskie Group.

Off-balance items

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

(in PLN k)*	30 June 2023	31 December 2022
1. Contingent assets	**18,039**	**18,039**
- received guarantees and sureties	15,980	15,980
- collaterals on assets	0	0
- promissory notes	2,059	2,059
2. Contingent liabilities	**124,354**	**134,753**
- for provided guarantees and warranties	13,606	14,182
- collaterals on property	93,038	93,038
- promissory note obligations	17,710	27,533
Total off-balance items	**-106,315**	**-116,714**

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 SA. Company were pending before a court, competent arbitration authority or public administration body.

Other material events and transactions

Disclosures regarding the incorporation of SAS Sp. z o.o.

During H1 2023, the Makarony Polskie Group included the subsidiary SAS Sp. z o.o. (formerly: Przedsiębiorstwo Produkcyjno-Handlowe "SAS" Andrzej Świderski Sp. z o.o., on 2 January 2023 a change of company name was registered in the KRS). A company whose object was the production of a wide range of pasta, manufactured using rolled and pressed technology, including "nests". Makarony Polskie SA held 100% of the shares of SAS Sp. z o.o.

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

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

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

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

Below there is a statement of financial position of SAS Sp. z o.o.: drawn up as at the merger date, i.e. 26.June 2023.

ASSETS (in PLN)	26.06.2023
FIXED ASSETS	**18,753 799.83**
Intangible assets	-
Fixed tangible assets	18,686 895.83
Long-term receivables	-
Long-term investments	-
Long-term accruals	66,904.00
CURRENT ASSETS	**30,587 000.46**
Inventories	6,414,567.48
Short-term receivables	10,791 618.95
including: affiliates	1,117,871.86
Short-term investments	13,359 704.74
Short-term accruals	21,109.29
Assets for sale	0
TOTAL ASSETS	**49,340 800.29**

LIABILITIES (in PLN)	26.06.2023
EQUITY (FUND)	**36,923,309.18**
Share capital (fund)	10,773,000.00
Called-up share capital not paid (negative value)	-
Own shares (negative value)	-
Supplementary capital (fund)	7,743 003.85
Revaluation reserve (fund)	12,763 000.62
Other reserve capitals (funds)	-
Profit (loss) from previous years	0
Net profit (loss)	**5,644,304.71**
Net profit write-offs during the financial year (negative value)	
LIABILITIES AND PROVISIONS FOR LIABILITIES	**12,417,491.11**
Provisions for liabilities	3,087,124.67
Long-term liabilities	0
Short-term liabilities	9,330 366.44
including: affiliates	1,716.26
Accruals	0
TOTAL LIABILITIES	**49,340,800.29**

Settlement of the merger transaction at the acquiring company Makarony Polskie SA

On 3 January 2022, Makarony Polskie took control of SAS Sp. z o.o. by acquiring 100% of its shares. At the time of taking control, the company measured the net assets to fair value. The effect of the valuation was the recognition of a gain on bargain purchase in the amount of PLN 4 102 663.07.

Due to the lack of regulation in IFRS of a merger under common control, the Company applied the method of merger with the subsidiary described below.

The merger was based on the valuation of net assets at the time of obtaining control, while the cumulative effect of the change in net assets since then was recognised in retained earnings. The approach used was driven by the best possible representation of the Company's and Group's operations since the acquisition of control.

The cumulative impact recognised in retained earnings arises from:

- Gain on bargain purchase arising in the transaction of obtaining control of PLN 4,102,663.07,
- Profit for 2022 (from gaining control) PLN 9,856,617.40

- Profit for 2023 PLN 5 853 928.71

In the first half of 2023, there were no material events or transactions other than those described that required disclosure in these separate financial statements.

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

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.

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Grażyna Kozielec
Chief Accountant

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Zenon Daniłowski
President of the Board

Rzeszów, 27 September 2023