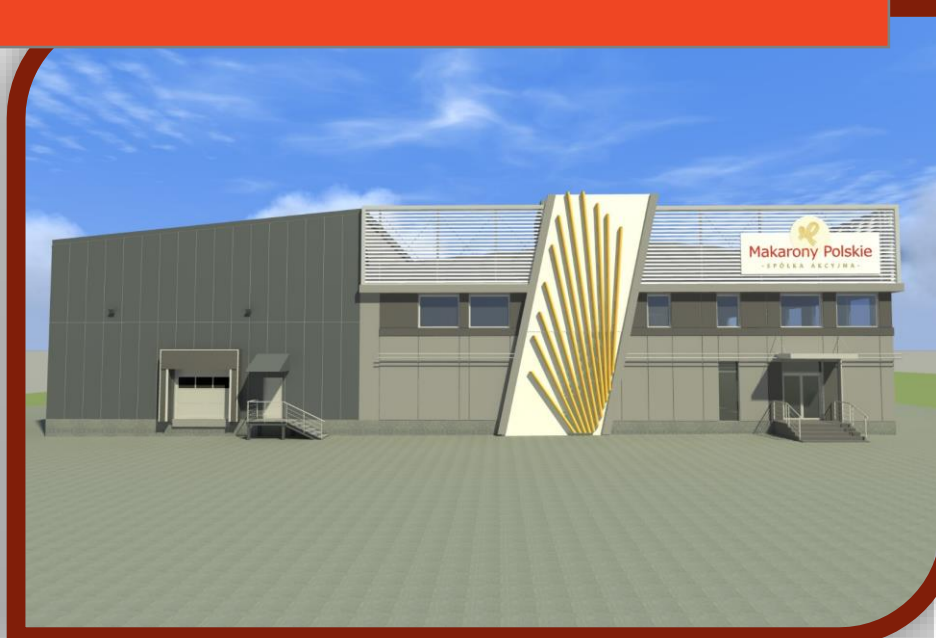
Makarony Polskie

- SPÓŁKA AKCYJNA -

Statement of compliance with corporate governance rules



Rzeszów, April 28, 2022

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This "Report of the Management Board on the activities of Makarony Polskie SA and Makarony Polskie Group in the financial year 2021" was prepared on the basis of §71 paragraph 8 of the Regulation of the Minister of Finance on current and periodic information provided by issuers of securities and conditions for recognizing as equivalent information required by provisions of the law of a non-member state of March 29, 2018.

Statement of compliance with corporate governance rules

In 2021, the Company applied the set of corporate governance rules "Best Practices of WSE Listed Companies 2021".

Corporate Governance

Statement on the application of corporate governance principles

Makarony Polskie SA applies the principles of corporate governance contained in the document "Best Practices of WSE Listed Companies" ("DPSN"). From the beginning of 2021, the company complied with the DPSN 2016 set, while on July 1, 2021, the DPSN 2021 came into force (Resolution of the Stock Exchange Council No. 13/1834/2021 of March 29, 2021) and this set is currently binding on the Company. The document containing a set of rules is available on the website of the Warsaw Stock Exchange http://corp-gov.gpw.pl.

In accordance with DPSN 2021, on July 31, 2021 Makarony Polskie SA published the "Information on the state of application by the company of the principles contained in the Code of Best Practice for WSE Listed Companies 2021". Makarony Polskie SA informed about the failure to apply 13 principles: 1.3.1., 1.4., 1.4.1., 1.4.2., 2.1., 2.2., 2.9., 2.11.6., 4.1., 4.3., 4.4., 6.2., 6.4. In accordance with the comply or explain formula, the Company published explanations of non-compliance with the principles indicated.

The Company's explanations on the method of applying the detailed rules contained in the set of "Best Practices of WSE Listed Companies 2021" in relation to 2021:

- *1.3. In its business strategy, the company also takes into account ESG issues, in particular including: 1.3.1. environmental issues, including measures and risks related to climate change and sustainable development issues;*

  The rule is not applied.

  Company comment: The rule is partially applied by the Company. Among its development directions, the company envisages, inter alia, undertaking activities aimed at meeting environmental requirements and reducing the negative impact of its operating activities on the environment. The company conducts production activities and has a regulated formal and legal status in the use of the environment. The Company respects the requirements and legal regulations relating to the above-mentioned areas. The Company's strategy currently does not include quantitative measures in terms of environmental issues, climate change and sustainable development issues. The Company will endeavor to introduce such measures and the risks associated with these factors into its business strategy.

- 1.4. *In order to ensure proper communication with stakeholders, within the scope of the adopted business strategy, the company publishes on its website information on the assumptions of its strategy, measurable objectives, in particular long-term objectives, planned activities and progress in its implementation, determined by means of financial and non-financial measures. Information on the strategy in the ESG area should, inter alia:*

  The rule is not applied.

  Company comment: The rule is partially applied by the Company. The Company includes information on the adopted directions and objectives of its long-term development in periodic and current reports. These reports are published, among others on the Company's website, however, at the moment both the development strategy of Makarony Polskie Group and the website do not contain all the information required by this rule, e.g. measurable non-financial indicators have not been defined and published.

- 1.4.1. *explain how the decision-making processes in the company and its group entities take account of climate change issues, pointing to the resulting risks;*

  The rule is not applied.

  Company comment: In its decision-making processes, the Company strives to respect the requirements and legal regulations relating to climate issues, but this area has not been formally and measurably covered by the business strategy currently adopted and implemented by the Company.

- 1.4.2. *present the value of the equal wage ratio paid to its employees, calculated as the percentage difference between the average monthly remuneration (including bonuses, awards and other allowances) of women and men for the last year, and provide information on actions taken to eliminate any inequalities in this respect, along with the presentation of the related risks and the time horizon in which it is planned to achieve equality.*

  The rule is not applied.

  Company comment: The company will carry out the necessary analyzes and make efforts to start publishing information in the manner specified in this rule, starting with the data for the year 2021.

- 2.1. *A company should have a diversity policy towards the management board and supervisory board, adopted respectively by the supervisory board or the general assembly. The diversity policy defines the objectives and criteria of diversity, among others in such areas as gender, field of education, specialist knowledge, age and professional experience, as well as indicates the time and method of monitoring the achievement of these objectives. In terms of gender diversity, the condition for*

ensuring the diversity of company bodies is the participation of a minority in a given body at a level not lower than 30%.

The rule is not applied.

Company comment: The Company has not developed a formal diversity policy in relation to the company's governing bodies. With regard to members of the Company's governing bodies, the selection of persons performing the functions of Members of the Supervisory Board and the Management Board is made by the shareholders and the Supervisory Board, respectively, following the ownership and corporate decisions as well as the principles of professionalism. According to the practice adopted in the Company, the key selection criterion is the competences of a given person needed to perform a given function. The criterion of ensuring the diversity of the Company's bodies is used as an auxiliary.

- 2.2. *The decision-makers on the appointment of members of the management board or supervisory board of a company should ensure the versatility of these bodies by selecting persons who ensure diversity in their composition, enabling, inter alia, achieving the target minimum minority participation rate set at a level of not less than 30%, in line with the objectives set out in the adopted diversity policy referred to in principle 2.1.*

  The rule is not applied.

  Company comment: The rule is partially applied by the Company. With regard to members of the Company's governing bodies, the selection of persons performing the functions of Members of the Supervisory Board and the Management Board is made by the shareholders and the Supervisory Board, respectively, following the ownership and corporate decisions as well as the principles of professionalism. According to the practice adopted in the Company, the key selection criterion is the competences of a given person

- 2.9. *The chairman of the supervisory board should not combine his/her function with managing the work of the audit committee operating within the board.*

  The principle is not applied.

  Company comment: In the current term of the Board

- *2.11. In addition to the activities resulting from legal provisions, once a year the supervisory board draws up and presents an annual report for approval to the ordinary general assembly. The report referred to above must contain at least:* 2.11.6. *information on the degree of implementation of the diversity policy in relation to the management board and the supervisory board, including the achievement of the objectives referred to in principle 2.1.*

  The principle is not applied.

  Company comment: The Company has not developed a formal diversity policy in relation to the company's governing bodies and its key managers.

- 4.1. *The company should enable its shareholders to participate in the general assembly by means of electronic communication (e-general assembly), if it is justified in view of the shareholders' expectations reported to the company, and if it is able to provide the technical infrastructure necessary to conduct such a general assembly.*

  The principle is not applied.

  Company comment: In the opinion of the Management Board, incurring such costs is not justified in the shareholding structure of the Company.
- 4.3. *The company provides publicly available real-time broadcast of the general assembly.*

  The principle is not applied.

  Company comment: In the opinion of the Management Board, incurring such costs is not justified in the shareholding structure of the Company.
- 4.4. *Presence of representatives of the media at general assemblies is allowed.*

  The principle is not applied.

  Company comment: In the opinion of the Management Board, at the moment, the presence of media representatives at general assemblies is not justified by the Company's shareholding structure.
- 6.2. *Incentive programs should be structured in such a way as to make the level of remuneration of the members of the company's management board and its key managers dependent on the actual, long-term situation of the company in terms of financial and non-financial results as well as long-term increase in shareholder value and sustainable development, as well as the stability of the company's operations.*

  The principle is not applied.

  Company comment: The rule is partially applied. The Company's authorities make every effort to ensure that the incentive programs are structured in such a way that, inter alia, make the level of remuneration of members of the management board and key managers of the Company dependent on the actual, long-term situation in terms of financial results and long-term increase in value for shareholders, as well as the stability of the company's operations. However, at the moment, there is a limited link between incentive systems with non-financial results and elements of sustainable development (e.g. due to the lack of formal recognition of this element and measurable indicators related to it in the company's current strategy).
- 6.4. *The supervisory board performs its tasks on a continuous basis, therefore the remuneration of board members may not depend on the number of meetings held. Remuneration of members of committees, in particular the audit committee, should cover additional workload related to the work in these committees.*

  The principle is not applied.

  Company comment: The current remuneration system of the Supervisory Board, adopted by the General Assembly in 2020, makes the remuneration of supervisory

board members dependent on the number of meetings held. Supervisory board members who are also members of the audit committee do not receive any additional remuneration related to their work in this committee.

Internal control and risk management system in the process of financial statements preparing

Makarony Polskie SA as the parent company prepares separate and consolidated financial statements based on the generally applicable provisions of law and internal regulations. The books of accounts are kept based on the principles adopted and approved for use by the Management Board of the Company, i.e. Accounting Policy and the Chart of Accounts compliant with IFRS, which are updated as needed. Subsidiaries are obliged to implement and use internal documents consistent with the documents of the parent company. The accounting books of the Group's companies are kept in the ERP class system, and access to IT resources is limited by authorizations for a specific group of employees.

The Company constantly monitors material legal, tax, economic, operational risk factors, etc., which determine the general directions of the Makarony Polskie Group's operations.

The Management Board of the Company is responsible for the internal control system in the Company and its effectiveness in the process of preparing financial statements and periodic reports prepared in accordance with the law and published in accordance with the rules of the Regulation of the Minister of Finance of March 29, 2018 on current and periodic information provided by issuers of securities (...).

The basic assumption of the developed internal control system of the Company in financial reporting is to ensure the adequacy and correctness of the financial information contained in the financial statements and periodic reports.

The Accounting Team is responsible for the preparation of financial statements and periodic financial reporting, while the Financial Team is responsible for the ongoing management reporting of the Company and the Group. The Company applies consistent accounting principles, when presenting financial data in financial statements, periodic financial reports and other reports presented to investors.

The financial data on which the financial statements and periodic reports are based come from the monthly financial and operational reporting applied by the Company. After the accounting closure of each calendar month, the Finance Team, together with the Management Board, analyzes the Company's financial results in comparison to the assumptions and taking into account business segments. Identified errors are corrected on an ongoing basis in the Company's books, in accordance with the adopted accounting policy.

The preparation of financial statements and periodic reports begins after the Management Board reviews and approves the results of the completed month/period. The Company's periodic reports are prepared by the financial and accounting services under the supervision of the Chief Accountant (based on the financial data contained in the periodic financial reporting) and employees of the Financial Team, and are verified by the Management Board, Financial Team Manager, Development Director, and Director of the Company.

The annual separate and consolidated financial statements of the Group companies are audited by an independent chartered auditor. The semi-annual separate and consolidated financial statements of the Group companies are audited by an independent chartered auditor.

Within the framework of the Supervisory Board of Makarony Polskie SA, there is an Audit Committee appointed from among the members of the Supervisory Board. The Audit Committee monitors the financial reporting processes in the Company, the effectiveness of internal control systems and risk management systems as well as internal audit (including in the field of financial reporting) and the performance of financial audit activities, in particular the audit of the Company's financial statements by the audit firm, taking into account all conclusions and findings of the Audit Supervision Commission resulting from the control executed in a given audit firm.

Members of the Audit Committee are in direct contact with the statutory auditor carrying out the audit of Makarony Polskie SA's financial statements, inform the Supervisory Board about the results of the audit of the Company's financial statements and provide explanations on how the audit contributed to the reliability of financial reporting in the Company, and what was the role of the Audit Committee in the audit process.

In the final stage the Supervisory Board of Makarony Polskie SA also performs the final assessment of the financial statements.

Information on the principles of changing the entity authorized to audit financial statements

In accordance with §19 item c) of the Articles of Association of Makarony Polskie SA, the selection of the statutory auditor to audit the financial statements of the Company is within the competence of the Supervisory Board. The selection is made on the basis of the recommendations of the Audit Committee.

A change of the statutory auditor is made at least once every five years.

The rules for changing the entity authorized to audit financial statements are set out in §4 of the Regulations of the Supervisory Board of the Company. The Company has in place the Policy of selecting an audit company to audit financial statements and the Procedure

for selecting an audit company to audit financial statements, which was developed by the Audit Committee of the Supervisory Board.

The entity that is to perform the function of the statutory auditor in the Company is selected in such a way as to ensure independence in the performance of the tasks entrusted to it. The auditor's independence is assessed by the Audit Committee at individual selection stages, as well as in the course of further cooperation. The Audit Committee may also consent to the provision by the statutory auditor and the audit firm of permitted services other than the audit of the financial statements, in accordance with the principles of the Policy adopted and implemented in this area.

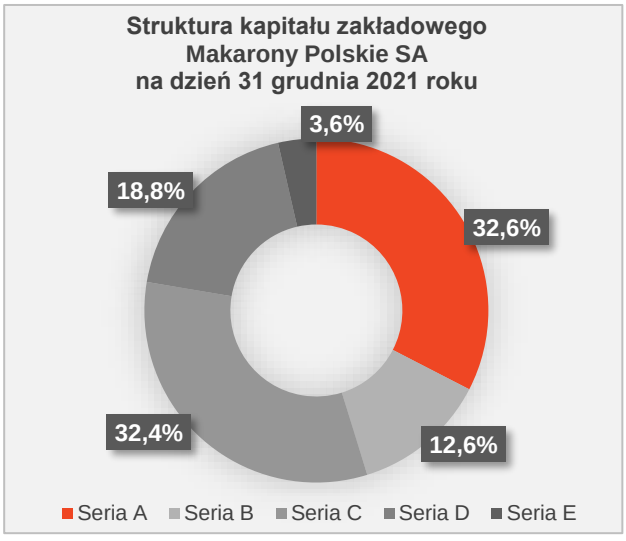
Share capital

Share capital of Makarony Polskie SA as at December 31, 2021:

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

Structure of the Company's share capital:

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



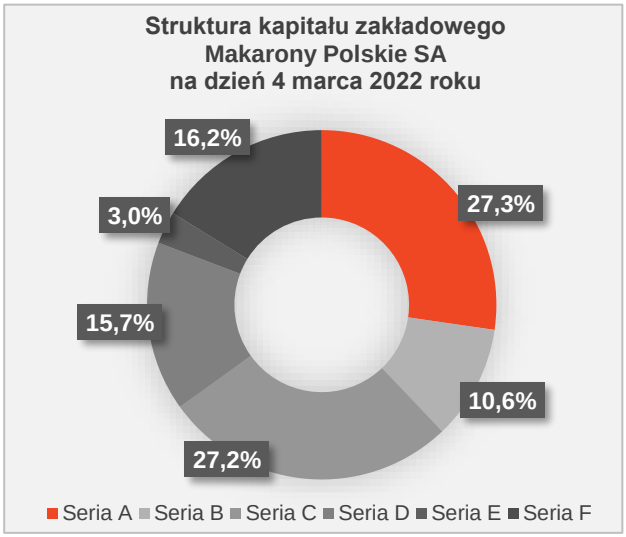
On March 4, 2022, an increase in the share capital of Makarony Polskie SA by the issue of 1,790,000 series F ordinary bearer shares was registered in the Register of Entrepreneurs of the National Court Register, i.e. an increase in the share capital by PLN 5,370,000, to PLN 33,120,213.

Share capital of Makarony Polskie SA as at December 4, 2022:

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

Structure of the Company's share capital:

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



The Company's shares are ordinary bearer shares listed on the regulated market operated by the Warsaw Stock Exchange. The company has not issued any securities which grant special control powers 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 (over 5% of capital)

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

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

Changes in the shareholding structure during 2021

On April 26, 2021, the Company received notifications from two shareholders regarding the change in the shareholding of Makarony Polskie SA shares:

- Praska Giełda Spożywcza SA with its registered office in Ząbki, in connection with the purchase of a block of the Company's shares in an amount exceeding the threshold referred to in Article 69 paragraph 1 point 1 and in Article 69 paragraph 2 (1) (a) of the Act on Public Offering, informed about:
  1) Praska Giełda Spożywcza SA with its registered office in Ząbki, on the basis of a share purchase transaction concluded on the regulated market, on April 21, 2021, acquired a block of 740,000 shares of the Company entitling to the same number of votes at the General Assembly of Shareholders.
  2) Praska Giełda Spożywcza SA, before the change of share, held directly and indirectly 2 311 594 shares of the Company, constituting 24.99% of the share capital, entitling to 2 311 594 votes at the General Assembly, which constitutes 24.99% of the total number of votes, of which Praska Giełda Spożywcza SA had:
     - directly - 2 050 000 shares, which constituted a 22.16% share in the share capital, entitling to 2 050 000 votes at the General Assembly, which constituted 22.16% of the total number of votes,

- indirectly - 261 594 shares, which constituted a 2.82% share in the share capital, entitling to 261 594 votes at the General Assembly, which constituted 2.82% of the total number of votes,

3) Praska Giełda Spożywcza SA currently holds, directly and indirectly, 3,051,594 shares, which constitutes 32.98% of the share capital, entitling to 3 051 594 votes at the General Assembly, which constitutes 32.98% of the total number of votes, of which Praska Giełda Spożywcza SA has:
   - directly - 2 790 000 shares, which constitutes a 30.16% share in the share capital, entitling to 2 790 000 votes at the General Assembly, which constitutes 30.16% of the total number of votes,
   - indirectly - 261 594 shares, which constituted a 2.82% share in the share capital, entitling to 261 594 votes at the General Assembly, which constituted 2.82% of the total number of votes,
4) Subsidiaries of the notifying shareholder who hold the company's shares:
   - iPolskie Smaki Sp. z o.o. holds 121 594 shares, which constitutes a 1.31% share in the share capital, entitling to 121 594 votes at the General Assembly, which constitutes 1.31% of the total number of votes,
   - Mr. Zenon Daniłowski holds 140 000 shares, which constitutes a 1.51% share in the share capital, entitling to 140 000 votes at the General Assembly, which constituted 1.51% of the total number of votes,
5) There are no persons referred to in Article 87 paragraph 1 point 3 item c) of the Act.
6) No financial instruments referred to in Article 69b paragraph 1 point 1 of the Act and the lack of instruments referred to in Article 69b paragraph 1 point 2.
7) There are no financial instruments referred to in Article 69b paragraph 1 point 2 of the Act.
8) Praska Giełda Spożywcza SA does not have the financial instruments referred to in Article 69b paragraph 1 point 1 of the Act and does not have the financial instruments referred to in Article 69b paragraph 1 point 2 of the Act.

- AGROMA LTD with its registered office in Nicosia, Cyprus, announced a direct reduction of the share in the total number of votes at the General Assembly of the Company to 0% (zero percent):

1) The reduction of the share in the total number of votes at the General Assembly of the Company by Agroma Ltd occurred as a consequence of the settlement of sales transactions in the form of OTC block deals and in the form of session orders in total 950,000 shares concluded on April 21-23, 2021.
2) Before the transaction, Agroma Ltd held directly 950,000 shares, representing approximately 10.27% of the share capital of the Company and entitling to 950,000

votes representing approximately 10.27% of the total number of votes at the General Assembly.

3) After the settlement of the transactions referred to in the notification, Agroma Ltd does not hold any shares of the Company.
4) There are no subsidiaries of Agroma Ltd that would own the Company's shares.
5) Agroma Ltd stated that it has not concluded an agreement containing provisions on the transfer of rights to exercise voting rights at the General Assembly of the Company.
6) Agroma Ltd does not have any financial instruments that would unconditionally entitle or oblige their holder to acquire voting shares issued by the Company upon maturity.
7) There are no financial instruments referred to in Article 69b paragraph 1 point 2 of the Act.
8) Agroma Ltd is not entitled to any votes at the General Assembly of the Company.

On November 24, 2021, the Company received a notification from Madova Sp. z o.o. and Raya Holding For Financial Investments S.A.E. being a direct parent company of Madova, informing that as a result of the civil law agreement for the sale of shares on November 23, 2021 and settlement on November 24, 2021 of the transaction for the purchase of 461,300 shares of the Company by Madova, direct exceeding by Madova and indirect exceeding by Ray Holding the threshold of 20% share in Makarony Polskie SA:

1) Before the change of share, Madova held directly, and Raya Holding indirectly, 1 793 406 shares of the Company constituting 19.39% of the share capital of Makarony Polskie SA, entitling to cast 1 793 406 votes constituting 19.39% of the total number of votes.
2) After the change of share, Madova holds directly, and Raya Holding indirectly, 2,254,706 shares of the Company constituting 24.38% of the share capital of Makarony Polskie SA, entitling to cast 2,254,706 votes constituting 24.38% of the total number of votes.
3) There are no subsidiaries of Madova holding the shares of Makarony Polskie SA and there are no subsidiaries of Ray Holding other than Madova holding the shares of the Company.
4) There are no persons referred to in Article 87 paragraph 1 (3) (c) of the Act on Public Offering.
5) None of the notifying entities has the financial instruments referred to in Article 69b paragraph 1 of the Act on Public Offering.
6) The total number of votes indicated pursuant to Article 69b paragraph 4 points 3, 7, 8 of the Act on Offerings is indicated in paragraph 2 above.

Changes in the shareholding after the end of the reporting period

In connection with the registration in the register of entrepreneurs of the National Court Register, on March 4, 2022, the increase in the share capital of Makarony Polskie SA by issuing 1,790,000 series F ordinary bearer shares, i.e. increasing the share capital by PLN 5,370,000 up to the amount PLN 33 120 213, the Company received notices from shareholders informing about changes in the share in the share capital and in the total number of votes in the Company:

- Madova Sp. z o.o. and Raya Holding For Financial Investments S.A.E. being a direct parent company of Madova, informing that due to Madova taking up 1,000,000 series F shares 2021 direct exceeding by Madova and undirect exceeding by Ray Holding of the threshold of 25% share in Makarony Polskie SA occurred:
  1) Before the change of share, Madova holds directly, and Raya Holding indirectly, 2,254,706 shares of the Company constituting 24.38% of the share capital of Makarony Polskie SA, entitling to cast 2,254,706 votes constituting 24.38% of the total number of votes.
  2) After the change of share, Madova holds directly, and Raya Holding indirectly, 3,254,706 shares of the Company constituting 29.48% of the share capital of Makarony Polskie SA, entitling to cast 3,254,706 votes constituting 29.48% of the total number of votes.
  3) There are no subsidiaries of Madova holding the shares of Makarony Polskie SA and there are no subsidiaries of Ray Holding other than Madova holding the shares of the Company.
  4) There are no persons referred to in Article 87 paragraph 1 (3) (c) of the Act on Public Offering.
  5) None of the notifying entities has the financial instruments referred to in Article 69b paragraph 1 of the Act on Public Offering.
  6) The total number of votes indicated pursuant to Article 69b paragraph 4 points 3, 7, 8 of the Act on Offerings is indicated in paragraph 2 above.

- shareholders of Z.P.H. Elpast Elżbieta and Grzegorz Słomkowscy s.c. informed that there was a direct reduction in the share in Makarony Polskie SA:
  1) Before the change in the share of Z.P.H. Elpast Elżbieta i Grzegorz Słomkowscy s.c. held indirectly, 1 169 750 shares of the Company constituting 12.65% of the share capital of Makarony Polskie SA, entitling to cast 1 169 750 votes constituting 12.65% of the total number of votes.
  2) After the change in the share of Z.P.H. Elpast Elżbieta i Grzegorz Słomkowscy s.c. hold indirectly, 1 169 750 shares of the Company constituting 10.60% of the share

capital of Makarony Polskie SA, entitling to cast 1 169 750 votes constituting 10.60% of the total number of votes.

3) There are no subsidiaries of Z.P.H. Elpast Elżbieta and Grzegorz Słomkowscy s.c. holding shares in Makarony Polskie SA.
4) There are no persons referred to in Article 87 paragraph 1 (3) (c) of the Act on Public Offering.
5) Notifying persons do not possess the financial instruments referred to in Article 69b paragraph 1 of the Act on Public Offering.
6) The total number of votes indicated pursuant to Article 69b paragraph 4 points 3, 7, 8 of the Act on Offerings is indicated in paragraph 2 above.

– Praska Giełda Spożywcza SA announced that as a result of its acquisition of 590,000 series F shares, there was a direct and indirect increase in the share in the Company:

1) Before the change of share, Praska Giełda Spożywcza SA held directly and indirectly, 2 911 594 shares of the Company constituting 31.47% of the share capital of Makarony Polskie SA, entitling to cast 2 911 594 votes constituting 31.47% of the total number of votes.
    a. directly - 2 790 000 shares of the Company constituting 30.16% of the share capital of Makarony Polskie SA, entitling to cast 2 790 000 votes constituting 30.16% of the total number of votes.
    b. indirectly (through the subsidiary Polskie Smaki Sp. z o.o.) - 121 594 shares of the Company constituting 1.31% of the share capital, entitling to cast 121 594 votes constituting 1.31% of the total number of votes.
2) After the change of share, Praska Giełda Spożywcza SA holds directly and indirectly, 3 501 594 shares of the Company constituting 31.72% of the share capital of Makarony Polskie SA, entitling to cast 3 501 594 votes constituting 31.72% of the total number of votes.
    a. directly - 3 380 000 shares of the Company constituting 30.62% of the share capital of Makarony Polskie SA, entitling to cast 3 380 000 votes constituting 30.62% of the total number of votes.
    b. indirectly (through the subsidiary Polskie Smaki Sp. z o.o.) - 121 594 shares of the Company constituting 1.10% of the share capital, entitling to cast 121 594 votes constituting 1.10% of the total number of votes.
3) There are no other than Polskie Smaki Sp. z o.o. subsidiaries of Praska Giełda Spożywcza SA holding shares in Makarony Polskie SA.
4) There are no persons referred to in Article 87 paragraph 1 (3) (c) of the Act on Public Offering.
5) Notifying persons do not possess the financial instruments referred to in Article 69b paragraph 1 of the Act on Public Offering.

6) The total number of votes indicated pursuant to Article 69b paragraph 4 points 3, 7, 8 of the Act on Offerings is indicated in paragraph 2 above.

– Mr. Zenon Daniłowski informed that as a result of the acquisition of 590,000 series F shares by Praska Giełda Spożywcza SA, the share in the Company was indirectly increased:

1) Before the change of share, Mr. Zenon Daniłowski held directly and indirectly, 3 051 594 shares of the Company constituting 32.99% of the share capital of Makarony Polskie SA, entitling to cast 3 051 594 votes constituting 32.99% of the total number of votes.
    a. directly - 140 000 000 shares of the Company constituting 1.51% of the share capital of Makarony Polskie SA, entitling to cast 140 000 votes constituting 1.51% of the total number of votes.
    b. indirectly (through the subsidiaries Praska Giełda Spożywcza SA and Polskie Smaki Sp. z o.o.) - 2 911 594 shares of the Company constituting 31.47% of the share capital, entitling to cast 2 911 594 votes constituting 31.47% of the total number of votes.
2) After the change of share, Mr. Zenon Daniłowski held directly and indirectly, 3 641 594 shares of the Company constituting 32.99% of the share capital of Makarony Polskie SA, entitling to cast 3 641 594 votes constituting 32.99% of the total number of votes.
    a. directly - 140 000 000 shares of the Company constituting 1.27% of the share capital of Makarony Polskie SA, entitling to cast 140 000 votes constituting 1.27% of the total number of votes.
    b. indirectly (through the subsidiaries Praska Giełda Spożywcza SA and Polskie Smaki Sp. z o.o.) - 3 501 594 shares of the Company constituting 31.72% of the share capital, entitling to cast 3 501 594 votes constituting 31.72% of the total number of votes.
3) There are no other than Polskie Smaki Sp. z o.o. and Praska Giełda Spożywcza SA, subsidiaries of Mr. Zenon Daniłowski, holding shares in Makarony Polskie SA.
4) There are no persons referred to in Article 87 paragraph 1 (3) (c) of the Act on Public Offering.
5) Notifying persons do not possess the financial instruments referred to in Article 69b paragraph 1 of the Act on Public Offering.
6) The total number of votes indicated pursuant to Article 69b paragraph 4 points 3, 7, 8 of the Act on Offerings is indicated in paragraph 2 above.

The company has no other information that would indicate changes in the number of shares held by material shareholders (with blocks of shares above 5%) in 2021 and in the period until the date of publication of this report.

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

Shares held by members of the Management Board

The number and nominal value of the Company's shares held by the Members of the Management Board as at the date of the report:

Member of the Management Board	2021		2020	
	number of shares	nominal value	number of shares	nominal value
Zenon Daniłowski*	140 000	420 000	140 000	420 000

* Zenon Daniłowski, President of the Management Board, 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 date of publication of the report for 2021 is 3 641 594 shares with a value of PLN 10 924 782, and for 2020 it was 2 311 594 shares with a value of PLN 6 934 782.

According to the information in the possession of the Company, in 2021 and in the period until the date of publication of these statements, there were no other changes in the ownership of shares held by the President of the Management Board.

Shares held by members of the Supervisory Board

The number and nominal value of the Company's shares held by the Members of the Supervisory Board as at the date of the report:

Member of the Supervisory Board	2021		2020	
	number of shares	nominal value	number of shares	nominal value
Marek Rocki	0	0	0	0
Ahmed Khalil *	0	0	-	-
Janusz Pierun *	0	0	-	-
Michał Słomkowski	0	0	0	0
Roman Sobiecki	0	0	0	0

Wiesław Wasilewski **	26 782	80 346	6 550	19 650

* Members of the Supervisory Board of Ahmed Khalil and Janusz Pierun were appointed to the Supervisory Board of the Company on September 24, 2020.

** In 2021, Mr. Wiesław Wasilewski acquired 20,000 new issue - series F - shares.

According to the information in the possession of the Company, in 2021 and in the period until the date of publication of these statements, there were no other changes in the ownership of shares held by the Members of the Supervisory Board.

Shares in subsidiaries

The persons managing and supervising Makarony Polskie SA do not hold any shares in the subsidiaries of the Makarony Polskie Group.

Right to decide on the issue or redemption of shares

Pursuant to §9 of the Company's Articles of Association the share capital may be increased and decreased under the terms and in the manner specified in the Commercial Companies Code, as well as by way of a public offering under the conditions specified in the Act of July 29, 2005 on public offering and conditions for introducing financial instruments to an organized trading system and on public companies, as amended.

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

On June 18, 2019, the General Assembly 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 Assembly, 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 Assembly, but no longer than until the time the reserve capital was used to acquire own shares.

The price of payment 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 Assembly 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 (...),

The Management Board, under the authorization granted, 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 Assembly 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 other rules and conditions for the acquisition of own Shares, in the scope not regulated by the Resolution.

For the purposes 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 in the amount 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.

Rules for amending the Articles of Association of Makarony Polskie SA

The Articles of Association of Makarony Polskie SA in the wording in force at present do not contain any provisions concerning amendments to the Articles of Association that differ from the provisions of the Commercial Companies Code.

Pursuant to Article 430 of the Commercial Companies Code, an amendment to the Articles of Association requires a resolution of the General Assembly and an entry into the register. A resolution of the General Assembly on amendments to the Articles of Association requires a majority of votes cast - Article 415 of the Commercial Companies Code.

The Articles of Association of Makarony Polskie SA are available on the Company's website www.makarony.pl.

General Assembly

Fundamental powers of the General Assembly

The powers of the General Assembly include making decisions on matters relating to the organization and operation of the Company, subject to the cases specified in the Commercial Companies Code and the Company's Articles of Association.

Manner of operation of the General Assembly

The General Assembly operates in accordance with the Commercial Companies Code, the Company's Articles of Association and the Regulations of the General Assembly of Makarony Polskie SA adopted by Resolution No. 24 of the Ordinary General Assembly of Makarony Polskie SA of June 28, 2016.

The Ordinary General Assembly is convened annually by the Management Board and takes place within 6 months after the end of each financial year (during the Covid-19 pandemic this period was extended to 9 months under generally applicable laws). The Extraordinary General Assembly is convened by the Management Board on its own initiative, by the Supervisory Board if it deems it advisable to convene the General Assembly or by shareholders representing at least half of the share capital or at least half of the total votes in the Company.

The General Assembly shall be held at the registered office of the Company or elsewhere in the territory of the Republic of Poland. The place and date of the General Assembly is selected in such a way as to enable the participation of the widest possible group of shareholders.

General Assemblies are convened in the manner specified for the provision of current information by public companies along with the announcement on the Company's website www.makarony.pl.

The General Assembly is capable of adopting resolutions irrespective of the number of shares represented at it, unless the provisions of the Commercial Companies Code provide otherwise. Subject to the provisions of Article 404 of the Commercial Companies Code, the General Assembly may adopt resolutions only in matters provided for in the Commercial Companies Code and in the Articles of Association and included in the agenda of a given Assembly.

Resolutions of the General Assembly are adopted by an absolute majority of votes cast, unless mandatory provisions of law or the provisions of these Articles of Association provide otherwise.

Voting is open. Secret voting is ordered by the Chairman of the General Assembly in personal matters and at the request of a shareholder. The right to demand secret voting is not applicable when adopting resolutions on order matters. The Assembly may waive the secrecy of voting on matters relating to the election of the committees it appoints.

Shareholders' rights

Shareholders' rights and the manner of exercising them at the General Assembly are set out in the Commercial Companies Code, the Articles of Association and the Regulations of the General Assembly.

Shareholders representing at least half of the share capital of the Company or at least half of the votes in the Company have the right to convene an Extraordinary General Assembly.

Only persons who are shareholders of the Company 16 days before the date of the General Assembly (record date) have the right to participate in the General Assembly. Shareholders have the right to participate in the General Assembly in person or through an attorney in fact. Each shareholder has the right to comment on matters included in the agenda.

The description of the procedures concerning participation in the General Assembly and exercising the voting right is each time included in the announcement on the General Assembly.

General assembly in 2021

In the financial year 2021, the Ordinary General Assembly of Makarony Polskie SA was held on July 7. The following matters were discussed at the Assembly:

- review and approval of the financial statements of Makarony Polskie SA for the financial year 2020,
- review and approval of the Management Board's report on the activities of the Company and Makarony Polskie Group in the financial year 2020,
- review and approval of the consolidated financial statements of the Makarony Polskie Group for the financial year 2020,
- distribution of the net profit for the financial year 2020,
- consideration of the report of the Supervisory Board of Makarony Polskie SA for the financial year 2020,
- acknowledging the fulfillment of duties by members of the Management Board of the Company in the financial year 2020,
- acknowledging the fulfillment of duties by members of the Supervisory Board of the Company in the financial year 2020,
- adopting a resolution on expressing an opinion on the Report of the Supervisory Board on the remuneration of Members of the Management Board and Supervisory Board of Makarony Polskie SA for the financial years 2019-2020,
- adopting a resolution on increasing the share capital by issuing series F ordinary bearer shares with the exclusion of pre-emptive rights and amending the Company's Articles of Association.

The content of the resolutions of the Ordinary General Assembly was published in the current report No. 20/2021 on July 7, 2021 and is available on the company's website www.makarony.pl.

The Management Board did not convene Extraordinary General Assemblies. The Company's shareholders and members of the Supervisory Board did not submit any other requests to convene the General Assembly.

Members of the Management Board and the Supervisory Board participated in the General Assembly in a composition enabling them to provide substantive answers to shareholders' questions asked during the Meeting.

Supervisory Board

The Supervisory Board of Makarony Polskie SA operates pursuant to the Commercial Companies Code, the Articles of Association and the Regulations of the Supervisory Board adopted by Resolution No. 25 of the Ordinary General Assembly of Makarony Polskie SA of June 28, 2016.

Rules for appointing and dismissing Members of the Supervisory Board

The Company's Supervisory Board consists of 5 to 7 members, appointed and dismissed by the General Assembly.

The term of office of the Supervisory Board is two years. The mandates of members of the Supervisory Board shall expire on the day of the Ordinary General Assembly approving the financial statements of the Company for the last full financial year of their term of office. If during the term of office of the Supervisory Board of the Company a supplementary or extension selection has been made, the mandate of the newly appointed member of the Supervisory Board shall expire simultaneously with the mandates of the remaining members of the Supervisory Board.

Candidates for members of the Supervisory Board are reported in order to enable the General Assembly to make an informed choice. Members of the Supervisory Board are selected in such a way that they have appropriate education and life experience enabling them to properly assess the functioning of the Company and properly perform their functions in the Supervisory Board and the Audit Committee, and in such a way that at least two members of the Supervisory Board are persons free from any connections with the Company and shareholders or employees of the Company.

Members of the Supervisory Board are entitled to remuneration in accordance with the rules established by the General Assembly.

The Supervisory Board elects from among its members a Chairman who manages the work of the Supervisory Board. The Supervisory Board may also appoint Vice-Chairmen and a Secretary.

Powers of the Supervisory Board

The Supervisory Board exercises permanent supervision over the activities of the Company in all areas of its enterprise. The powers of the Supervisory Board include, inter alia:

- assessment of the financial statements and the Management Board's report in terms of their compliance with the books and documents, as well as with the actual state of affairs, as well as the Management Board's requests for the distribution of profits and coverage of losses, as well as submitting to the General Assembly an annual written report on the results of this assessment,
- approval of annual financial plans for the Company and control of their implementation,
- selection of a certified auditor to audit the Company's financial statements,
- granting consent for the purchase or sale of real estate, perpetual usufruct or shares in real estate with a value exceeding 10% of the Company's equity calculated according to the last balance sheet of the Company approved by the General Assembly, unless they have been provided for in the annual financial plan of the Company, approved by the Supervisory Board,
- granting consent for the sale of the Company's assets whose value exceeds 10% (in words: ten percent) of the Company's total equity calculated according to the last balance sheet of the Company approved by the General Assembly, unless they have been provided for in the annual financial plan of the Company, approved by the Supervisory Board,
- granting consent to incur a liability or make a disposition which, under one or more related legal acts - exceeds the amount of 10% of the Company's equity calculated according to the last balance sheet of the Company approved by the General Assembly, unless they were provided for in the annual financial plan of the Company, approved by the Supervisory Board,
- granting consent to the payment of advance payments to Shareholders against the expected dividend,
- appointing and dismissing the Management Board of the Company or its individual members,
- establishing the terms and conditions of remunerating the Management Board of the Company, as well as the amount of remuneration of its individual members.
- representing the Company in contracts between it and a member of the Management Board, as well as in a dispute between the Company and such a person.

The Supervisory Board has the right to audit all activities of the Company, demand from the Management Board and employees reports, explanations and information, check books and documents (including financial ones), demand access to all premises of the Company (§10 of the Regulations of the Supervisory Board), and Members of the Supervisory Board in their actions, they are obliged to be guided by the good and interest of the Company (§6 (1) of the Regulations of the Supervisory Board).

The Supervisory Board works in the form of meetings, control activities and participation in the work of the Company's governing bodies.

Composition of the Supervisory Board

From January 1, 2021 to the publication of this report, the Supervisory Board has been operating in the following composition:

The following persons were appointed to the Supervisory Board of the 9th term of office:

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

Supervisory Board Committees

Audit Committee functions within the Supervisory Board of Makarony Polskie SA, in accordance with the provisions of law.

At the moment, the Company does not plan to appoint any Supervisory Board committees other than those required by law. This is supported by: the status of the Company, the shareholding structure, as well as organizational and economic reasons, including the need to provide additional administrative and legal services to such committees.

AUDIT COMMITTEE

The Audit Committee of Makarony Polskie SA operates pursuant to the applicable provisions of law and the Regulations of the Audit Committee adopted by Resolution No. 5 of the Supervisory Board of Makarony Polskie SA of October 18, 2017.

The number of members of the Audit Committee is established by the Supervisory Board, which also appoints members of the Audit Committee and appoints its Chairman. The minimum number of members of the Audit Committee is 3.

Members of the Audit Committee are appointed from among the Members of the Supervisory Board in such a way that:

- most of the members of the Audit Committee, including its Chairman, are independent members,
- the Audit Committee is composed of at least one Member with knowledge and skills in accounting or auditing and at least one Member with knowledge and skills in the industry in which the Company operates.

The mandate of a member of the Audit Committee expires on the day of expiry of the mandate in the Supervisory Board. Each member of the Audit Committee may also be dismissed by the Supervisory Board at any time.

In the event that the mandate of a Supervisory Board member elected to the Audit Committee expires before the end of the term of office of the entire Supervisory Board, or he/she resigns from his/her function in the Audit Committee, the Supervisory Board supplements the composition of the Committee by selecting a new member of the Audit Committee for the period until the end of the term of office of the Supervisory Board.

The tasks of the Audit Committee include in particular:

- monitoring:
  - financial reporting processes in the Company,
  - effectiveness of internal control systems and risk management systems as well as internal audit, including in the field of financial reporting,
  - performing financial audit activities, in particular auditing the Company's financial statements by the audit firm, taking into account all conclusions and findings of the Audit Supervision Commission resulting from the control executed in a given audit firm;
- controlling and monitoring the independence of the statutory auditor and the audit firm carrying out the audit of the Company's financial statements (in particular when the audit firm also provides services other than audit services to the Company);
- informing the Supervisory Board about the results of the audit of the Company's financial statements and explaining how the audit contributed to the reliability of financial reporting in the Company, as well as the role of the Committee in the audit process;
- assessing the independence of the statutory auditor and the audit firm carrying out the audit of the Company's financial statements and expressing consent for them to provide for the Company permitted services other than an audit of the Company's financial statements;
- developing a policy for selecting an audit firm that audits the Company's financial statements;
- developing a policy of providing for the Company by the audit firm carrying out the audit of the Company's financial statements, entities related to this company and by a member of the network of the audit firm (within the meaning of generally applicable regulations) of permitted services other than an audit of the Company's financial statements;
- defining the procedure for selecting an audit firm that audits the Company's financial statements;

- submitting recommendations to the Supervisory Board regarding the appointment of a statutory auditor or audit firm to audit the Company's financial statements. The recommendation should meet the requirements set out in Regulation No. 537/2014 and the Act on statutory auditors;
- submitting to the Supervisory Board and the Management Board recommendations aimed at ensuring the reliability of the financial reporting process in the Company.

In the course of its work, the Audit Committee may:

- request information, explanations and documents necessary to perform tasks without the intermediation of the Supervisory Board,
- demand that the key statutory auditor discuss with the Audit Committee or the Management Board the key issues arising from the audit, which were listed in the additional report referred to in Article 11 of the Regulation No. 537/2014.

Composition of the Audit Committee

From January 1, 2021 to the publication of this report, the Audit Committee has been operating in the following composition:

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

As required by law, members of the Audit Committee have:

- knowledge and skills in the field of accounting or auditing of financial statements - Mr. Michał Słomkowski and Mr. Roman Sobiecki,
- knowledge and skills in the industry in which the Company operates - Mr. Wiesław Wasilewski and Mr. Roman Sobiecki.

Mr. Roman Sobiecki - is a professor of economics at the Warsaw School of Economics, where he has been working since 1978, currently at the Institute of Markets and Competition. Since 2012, he has been the dean of the College of Enterprise Sciences at the Warsaw School of Economics. In the years 1996-2005 he was and in 2012 - until now he is a member of the Senate of the Warsaw School of Economics. In 1996–1997 he was an advisor in the Political Office of the Minister of the Treasury. In the period 1999-2005 he was a member of the Team of Consultants of the President of the Republic of Poland for Agriculture and Rural Development. In the years 2013-2015 he was the chairman of the National Council of Entrepreneurship, which operates at the Ministry of Economy.
Mr. Roman Sobiecki is the author and co-author of over 60 books and articles on micro- and macroeconomics, globalization and entrepreneurship (including the book "Globalization and the functions of Polish agriculture"). He is also the author and co-author

of academic textbooks for students in the field of competition theory and company competition strategy, as well as economic textbooks and curricula for secondary and vocational schools.

Mr. Michał Słomkowski - graduated from BA studies in the field of BBA Finance and Accounting and graduate studies in the field of Finance and Accounting, specializing in corporate finance, Leon Kozminski University. He also completed post-graduate studies at the Institute of Spatial Management and Housing and the Leon Kozminski University - Real Estate Management. He has experience in the field of efficiency and labor cost management.

Mr. Wiesław Wasilewski - graduated from the University of Engineering in Radom at the Faculty of Economics and Organization (he did not submit his master's thesis for defense). Since 2002, Mr. Wiesław Wasilewski has been the owner of the Big-Pol Fundusze Pomocowe consulting company specializing in obtaining EU subsidies and in investment consulting for food processing. Most of the projects implemented so far concerned the implementation of new technologies and the energy efficiency of the operation of food processing plants, several process and product innovations were implemented.

Works of the Audit Committee in the financial year 2021 and in relation to 2022

In the financial year 2021, the Audit Committee held 4 meetings, convened by the Chairman of the Audit Committee, devoted to performing the duties of the audit committee, in particular regarding:

- approval of the annual report on the activities of the Audit Committee in 2020,
- cooperation with the statutory auditor in the course of auditing the financial statements for the financial year 2020, as well as controlling and monitoring the independence of the statutory auditor and the audit firm carrying out the audit of the Company's financial statements,
- monitoring financial reporting processes in the Company, the effectiveness of internal control systems and risk management systems as well as internal audit, including in the field of financial reporting,
- informing the Supervisory Board about the results of the audit of the Company's financial statements and explaining how the audit contributed to the reliability of financial reporting in the Company, as well as the role of the Committee in the audit process;
- assessing the independence of the statutory auditor and the audit firm carrying out the audit of the Company's financial statements.

After the end of the financial year 2021, the Audit Committee held 2 meetings, convened by the Chairman of the Audit Committee, the subject of which was in particular:

- cooperation with a statutory auditor in the course of auditing financial statements for the financial year 2021,
- preparation of Information for the Supervisory Board on the results of the audit of the financial statements of the Company and Makarony Polskie Group, along with an explanation of how the audit contributed to the reliability of financial reporting, as well as the role of the Audit Committee during the audit,
- approval of the annual report on the activities of the Audit Committee in 2021,

The subject of ongoing activities of the Audit Committee is to monitor works related to the process of drawing up and auditing the Company's financial statements. The Audit Committee monitored the correctness of the preparation of the financial statements by the Company for the financial year 2021, cooperating in this respect with the Management Board of the Company and being in contact with the statutory auditor examining the statements, i.e. with BDO Spółka z ograniczoną odpowiedzialnością Sp.k. with its registered office in Warsaw.

In the opinion of the Audit Committee, the internal control system in the Company is fulfilled by the Management Board, management and other employees within the scope of their duties. Internal control mechanisms cover the way employees perform their tasks, in particular: authorizations, competences and compliance of the activities performed with the principles and procedures developed for individual areas of operation. These mechanisms are of a control nature and are embedded in internal normative acts, procedures and an integrated IT system of the ERP class. Risk areas material for the Company are properly identified, to ensure the implementation of strategic objectives assumed by Makarony Polskie SA. The Management Board, together with the management, regularly reviews and updates the risk factors accompanying the company's operations, which may affect the financial and market situation of the Company.

Policies on selection and cooperation with the statutory auditor developed by the Audit Committee

On October 18, 2017, the Audit Committee adopted:

- "Policy of selecting an audit firm to carry out the statutory audit of the financial statements of Makarony Polskie SA with its registered office in Rzeszow and the Makarony Polskie Capital Group", according to which the selection of an audit firm is made in accordance with the following rules:
  - by the Supervisory Board of the Company after getting acquainted with the recommendation of the Audit Committee,
  - sufficiently in advance so that the contract for the audit of the financial statements can be signed in time enabling the audit firm to participate in the inventory of material assets,

- with particular attention to the need to maintain the independence of the audit firm and the statutory auditor, in particular the Audit Committee, when presenting a recommendation to the Supervisory Board of the Company, takes into account the scope of services provided by the audit firm and the statutory auditor in the last five years preceding the selection of the audit firm,
- control and monitoring of the independence of the statutory auditor and the audit firm by the Audit Committee are performed at each stage of the procedure of selecting an audit firm to audit and review the above-mentioned financial statements,
- the selection of an audit firm is made taking into account the experience of the audit firm in the field of statutory audits of financial statements of public interest entities, including companies listed on the Warsaw Stock Exchange,
- the selection of the audit firm is made taking into account the principle of rotation of the audit firm and the key statutory auditor in such a way that the maximum uninterrupted duration of statutory audit engagements executed by the same audit firm or an audit firm associated with this audit firm or any member of the network operating in the European Union to which these audit firms belong, has not exceeded five years, and the key statutory auditor has not conducted the statutory audit in the Company for more than five years (in such case the key statutory auditor may re-conduct the statutory audit in the Company after at least three years from completion of the last statutory audit).
- the first contract for the audit of financial statements is concluded with an audit firm for a period of not less than two years with the possibility of extension for at least two-year subsequent periods, taking into account the principles of rotation of the audit firm and the key statutory auditor resulting from the provisions of law,

- "Policy for the provision of permitted non-audit services by the audit firm carrying out the audit of the financial statements of Makarony Polskie SA with its registered office in Rzeszow and the Makarony Polskie Capital Group, by entities related to this audit firm and by a member of the audit firm network", which assumes that:
  - a statutory auditor or an audit firm - conducting statutory audits of the Company or an entity related to the audit firm, or any of the members of the network to which the statutory auditor or the audit firm belongs - do not provide, directly or indirectly, to the Company or its affiliates any prohibited non-audit services or financial audit activities,
  - the prohibited services are not the services indicated in Article 136 paragraph 2 of the Act of 11 May 2017 on statutory auditors, audit firms and public supervision (Journal of Laws of 2017, item 1089),

- the provision of permitted services is possible only to the extent unrelated to the tax policy of the Company, after the Audit Committee assesses the threats and safeguards to independence and giving consent by the Audit Committee,
- where appropriate, the Audit Committee issues guidelines for this type of service.

Consent of the Audit Committee for the provision of additional services by the statutory auditor

In the financial year 2021 and until the date of publication of this report, the audit firm auditing the financial statements of Makarony Polskie SA did not provide any permitted non-audit services to the companies of the Makarony Polskie Group.

Recommendation of the Audit Committee regarding the selection of an audit firm

In the financial year 2020, Makarony Polskie SA selected the statutory auditor for the years 2020-2022. The Audit Committee carried out the selection procedure that met the applicable criteria, and then presented to the Supervisory Board its recommendation regarding the selection of an audit firm to conduct the audit

Remuneration Policy for Members of the Supervisory Board

The remuneration of members of the Supervisory Board is determined by the General Assembly, in accordance with the Company's Articles of Association and the Remuneration Policy for Members of the Management Board and Supervisory Board of Makarony Polskie SA, adopted by the Ordinary General Assembly on September 24, 2020.

In 2021, Members of the Supervisory Board received remuneration for each meeting of the Supervisory Board in which they participated in accordance with the remuneration system of the Supervisory Board of Makarony Polskie SA adopted by Resolution No. 25 of the Ordinary General Assembly of September 24, 2020.

Information on the remuneration paid to Members of the Company's Supervisory Board is presented in the table below and included in the consolidated financial statements in note 39 and in the separate financial statements in note 38.

(in PLN k)	Function	For the period from 01/01 to 31/12/2021	For the period from 01/01 to 31/12/2020
Roman Sobiecki	Chairman of the Supervisory Board of the 8th and 9th term of office	26	26
Ahmed Khalil *	Vice-chairman of the Supervisory Board of the 9th term of office	24	8
Janusz Pierun *	Member of the Supervisory Board of the 9th term of office	21	7

Wiesław Wasilewski	Member of the Supervisory Board of the 3rd and 9th term of office	21	21
Marek Rocki	Member of the Supervisory Board of the 3rd and 9th term of office	21	21
Michał Słomkowski	Member of the Supervisory Board of the 3rd and 9th term of office	21	21
Samer Abdelfatah Mohamed Elwaziri **	Vice-chairman of the Supervisory Board of the 8h term of office	0	16
Total		**134**	**120**

* Members of the Supervisory Board of Ahmed Khalil and Janusz Pierun were appointed to the Supervisory Board of the Company on September 24, 2020.

The company does not have any obligations arising from pensions and benefits of a similar nature for former supervisory staff, nor any obligations incurred in connection with these pensions.

Supervisory boards of subsidiaries

There are no Supervisory Boards in the Group's subsidiaries. The governing bodies in the subsidiaries Stoczek Natura Sp. z o.o. and MP Trade Sp. z o.o. are the Meeting Of Shareholders and the Management Board.

Management Board

Rules for appointing and dismissing members of the Management Board

Pursuant to the provisions of the Articles of Association of Makarony Polskie SA, the Management Board of the Company consists of one to three members, including the President and Vice President, who are appointed and dismissed by the Supervisory Board.

The term of office of the Management Board members is two years. Members of the Management Board may be appointed for subsequent two-year terms. The mandates of the members of the Management Board shall expire in accordance with Article 369 § 4 of the Commercial Companies Code. If during the term of office of the Management Board of the Company a supplementary or extension selection has been made, the mandate of the newly appointed member of the Management Board shall expire simultaneously with the mandates of the remaining members of the Management Board.

Competencies of the Management Board

The Management Board represents the Company outside and makes decisions on all matters which, in accordance with the Articles of Association and mandatory legal provisions, have not been reserved for the competence of other bodies of the Company.

Declarations of will on behalf of the Management Board are made by:

- one person - in the case of a one-person Management Board,
- two Members of the Management Board jointly or a Member of the Management Board together with a Proxy - in the case of a multi-person Management Board.

As at the date of publication of this report, the functions of proxies in the Company are performed by:

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

The granted proxies are joint - a proxy may represent the Company only in cooperation with another proxy or a member of the Management Board.

During the reporting period, until April 30, 2021, Tomasz Blat was also a proxy in the Company - the proxy was canceled by the company's Management Board due to the end of cooperation of the parties.

Composition of the Management Board

In the period from January 1, 2021 to the publication of this report, the Management Board of the Company operates in a single composition. Zenon Daniłowski is the President of the Management Board.

During the reporting period, on June 1, 2021, in connection with the end of the 9th term of office of the Management Board of the Company, the Supervisory Board of Makarony Polskie SA decided that the Management Board of the 10th term of office would be one-person one, and re-entrusted the position of President of the Management Board to Mr. Zenon Daniłowski. The resolution of the Supervisory Board came into force on the date of the Annual General Assembly approving the Company's financial statements for the financial year 2020, i.e. on July 7, 2021.

Division of duties among members of the Management Board

The Management Board of the Company consists of one person.

Remuneration Policy for Members of the Management Board

Pursuant to the Company's Articles of Association, members of the Management Board receive remuneration in the amount determined by the Supervisory Board. On September 24, 2020, the Ordinary General Assembly adopted the Remuneration Policy for Members of the Management Board and Supervisory Board of Makarony Polskie SA, which defines the rules for determining the remuneration system for members of the Company's bodies.

The remuneration system of the President of the Management Board is based on a fixed part (base remuneration under an employment contract) and a variable incentive.

In 2021, the variable part of the remuneration for performing the function was calculated based on the EBITDA result/operating profit + depreciation/in the quarter to which the remuneration related, disclosed in the published periodic reports for a given quarter, generated by:

- The Company - in the period from January 1 to 30 June, i.e. during the 9th term of office of the management board,
- Group - in the period from July 1 to December 31, i.e. during the 10th term of the management board.

In the period covered by these financial statements, the companies of the Group did not conclude any agreements with managing persons providing for compensation in the event of their resignation or dismissal from their position without a valid reason, or if their recall or dismissal would take place due to the merger of the company by acquisition.

In the financial year 2021, as well as in the period until the publication of this report, Makarony Polskie SA did not conduct any employee share programs.

Information on the remuneration paid to Members of the Company's Management Board is presented in the table below and included in the consolidated financial statements in note 39 and in the separate financial statements in note 38.

Name and surname	Function	For the period from 01/01 to 31/12/2021		For the period from 01/01 to 31/12/2020	
		fixed	**variable**	**fixed**	**variable**
Zenon Daniłowski	President of the Management Board	507	479	450*	353
	Total	**986**		**803***	

* including remuneration for performing the function of the President of the Management Board in the subsidiary MP Trade Sp. z o.o.: 30 k in 2020 (in the period I-III).

The company does not have any obligations arising from pensions and benefits of a similar nature for former managers or former members of administrative bodies, nor any obligations incurred in connection with these pensions.

Management boards of subsidiaries

Stoczek Natura Sp. z o.o.

In the period from January 1, 2021 to July 26, 2021, the management board of Stoczek Natura Sp. z o.o. functioned in the following composition:

- Adam Ławnik – President of the Management Board

On July 26, 2021, in connection with the end of the current term of office of the Management Board, the meeting of shareholders of Stoczek Natura Sp. z o.o. decided that the management board of the new term of office will be two-person one and will operate in the following composition:

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

In the period from July 26, 2021 to the publication of this report, the management board of Stoczek Natura Sp. z o.o. has not changed.

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

- Alicja Hinz – from October 5, 2001

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

In 2021, the function of a proxy in Stoczek Natura Sp. z o.o. was also served by Mr. Jerzy Krzyżowski - the proxy expired on July 26, 2021 due to the appointment of Mr. Jerzy Krzyżowski to the company's management board.

MP Trade Sp. z o.o.

As at December 31, 2021, the management board of the subsidiary was composed of:

- Zenon Daniłowski – President of the Management Board

On March 1, 2022, Mr. Zenon Daniłowski resigned from the position of the President of the Management Board of MP Trade Sp. z o.o. On the same day, the Meeting of Shareholders appointed Mr. Marcin Zieliński as the president of the management board of the company.

As at the date of publication of this report, the management board of the subsidiary is composed of:

- Marcin Zieliński – President of the Management Board.

In MP Trade Sp. z o.o. no proxies were appointed as at December 31, 2021 and as at the date of publication of this report.

Other information

Information on cooperation with the statutory auditor

The Supervisory Board of Makarony Polskie SA has chosen the company BDO Spółka z ograniczoną odpowiedzialnością sp.k. (formerly: BDO Spółka z ograniczoną odpowiedzialnością) with its registered office in Warsaw as a statutory auditor for the audit of financial statements of the Makarony Polskie Group companies for the H1 of the financial year and for the audit of the financial statements of the Makarony Polskie Group companies for the financial year 2020-2022.

BDO Spółka z ograniczoną odpowiedzialnością sp.k. is entered in the list of audit firms kept by the National Council of Statutory Auditors under number 3355 and entered in the register of entrepreneurs of the National Court Register kept by the District Court for the Capital City of Warsaw, 13th Commercial Division of the National Court Register under the number 0000729684.

The companies of the Makarony Polskie Group previously used the services of BDO Spółka z ograniczoną odpowiedzialnością sp.k. in the scope of auditing annual reports for the financial years 2018-2019.

On August 20, 2020, Makarony Polskie SA concluded with the above-mentioned auditor an agreement regarding the review of condensed financial statements for the H1 of the financial year and the audit of the financial statements of the Company and the Group for the financial year 2020-2022.

Remuneration due to BDO Spółka z ograniczoną odpowiedzialnością sp.k. due to the audit of financial statements for the financial year 2021 in Makarony Polskie SA amounts to a total of 114.2 k (PLN 37.3 k for the review of the separate and consolidated semi-annual report, PLN 76.9 k for the audit of the financial statements of Makarony Polskie SA and the Makarony Polskie Group for 2021).

Remuneration due to BDO Spółka z ograniczoną odpowiedzialnością sp.k. due to the audit of financial statements for the financial year 2020 in Makarony Polskie SA amounts to a total of 114.2 k (PLN 37.3 k for the review of the separate and consolidated semi-annual report, PLN 76.9 k for the audit of the financial statements of Makarony Polskie SA and the Makarony Polskie Group for 2020).

The Group strives to operate in a sustainable and responsible manner when conducting its business activity.

Corporate social responsibility

Corporate social responsibility is a responsible way of operating of a company in the social, economic and natural spaces. The concept of corporate social responsibility is changing, evolving and is still subject to public debate. Currently, CSR (Corporate Social Responsibility) is not only an idea, but also an approach to management.CSR assumes rational management of the enterprise and property with respect for the rights of citizens and employees, as well as social coexistence.



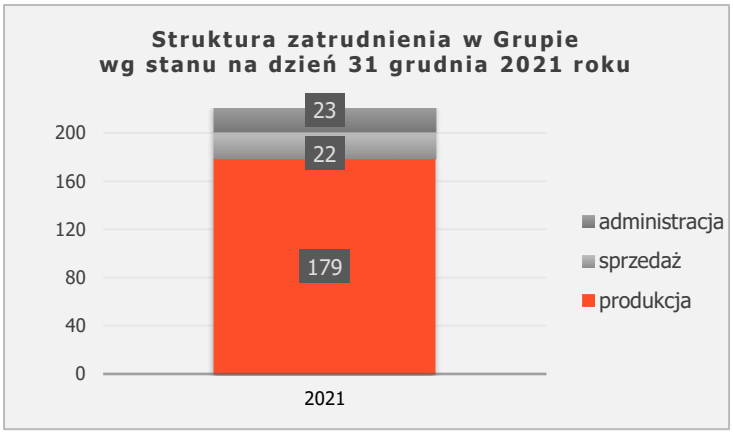
When creating a development strategy and implementing business objectives, the Makarony Polskie Group makes every effort to ensure that its operating activities are executed taking into account the principles of corporate social responsibility CSR, i.e. taking into account the needs and requirements of broadly understood social and environmental interests in the company's environment. Activities in this area focus mainly on:

- building stable and long-term relationships with all stakeholders,
- conducting a socially responsible policy expressed in supporting local and charity initiatives, as well as sports and cultural patronage,
- creating a unique team and a friendly work environment,
- reducing the company's impact on the environment.

Employees

The Makarony Polskie Group is consistently performing the employment optimization program implemented in 2013. This program assumes the stabilization of permanent jobs at the necessary minimum level and the flexibility of employment in production plants by making its level dependent on changes in the production volume. The basis of such a solution is the constant care for the proper organization of work (including the implementation of Lean Manufacturing) and the effectiveness of the use of human resources.

The Makarony Polskie Group, in accordance with the adopted policy, maintains the total employment at the minimum level. The employment in the Group as at December 31, 2021 was 224 people (vs. 213 at the end of 2020 vs 210 people at the end of 2019).



Diversity policy

The personnel policy of Makarony Polskie Group is aimed at maintaining high-class specialists and managers who, thanks to their knowledge, 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 products and services provided. Makarony Polskie SA has not developed a formal diversity policy in relation to the company's governing bodies and its key managers. There is no obligation to report this element due to the current status of the Company.

Planning of human resources and recruitment of employees

The current labor market requires employers to focus more and more on process optimization, effective use of human resources and quick response to changes. In order to ensure a high level of implementation of tasks and objectives in the dynamic world of VUCA, the Makarony Polskie Group takes steps towards effective human resource planning, even before the actual demand in this area occurs. The Group has implemented and conducts, in close cooperation with the heads of individual organizational units, a systematic identification of future staffing needs.

When recruiting and selecting candidates, the Group makes every effort to ensure that the recruitment process is transparent and employee-friendly and effective for the company. When making decisions about employing the candidates, the companies of the Group try to act in a transparent manner, guided by their professional experience, seniority in the profession, and education, appropriate to the scope of the tasks entrusted to them. The Group employs both women and men of different age groups, taking into account the assessment of the applicants' compliance with the substantive criteria and tries to prevent any form of discrimination.

according to the age and gender criteria	Employment structure of the Group's employees as of December 31, 2021		
	women	**men**	**total**
18-29	10	23	33
30-49	67	60	127
50+	29	35	64

When recruiting members of its team, the Makarony Polskie Group relies on candidates who approach their work with passion. It is looking for people who are not afraid of new challenges, ready to constantly develop their skills and willing to share their knowledge. For specialist and managerial positions, preference is given to people who represent a high level of professionalism, enterprising, committed, focused on professional development, deriving satisfaction from their work and able to cooperate with other people.

In the interests of staff development, Makarony Polskie Group first tries to conduct internal recruitment, due to the fact that internal (horizontal and vertical) promotions allow the retention of involved people with extensive experience and desired qualifications in the organization. In the absence of suitable internal candidates, the Group conducts recruitment processes addressed to external candidates, using recruitment sources adequate to the profile of the vacant position, including through headhunting companies, career offices, student internships and apprenticeships, publications on the company's website, internet portals, social media and by District Labor Offices.

Recruitment processes are executed in compliance with the principles of confidentiality and internal procedures applicable in the Group.

Internships and apprenticeships

Makarony Polskie Group appreciates the value and competence of young people, their enthusiasm and creativity. It willingly participates in various types of internship programs aimed at students and graduates. It enables apprenticeships to be held by high school and university students. It also cooperates with District Labor Offices in the field of organizing internships for the unemployed.

In 2021, 5 people took part in apprenticeships at the Production Plant in Rzeszow (lasting on average about 1 month), while 2 people took part in the Makarony Polskie Group student internships (also lasting on average about 1 month). In this respect, cooperation was conducted with the University of Rzeszow, the University of Information Technology and Management in Rzeszow, the Rzeszow University of Technology and the Complex of Electronic Schools in Rzeszow. In 2021, Makarony Polskie SA, in cooperation with the Labor Office in Rzeszow, also organized a five-month internship for 1 unemployed person referred by the Office.

For several years, Makarony Polskie Group has been offering an internship program aimed at young, ambitious university graduates who are taking their first steps in their professional career. The program lasts 3 months and is entirely financed from own funds. The aim of the program is to enable people entering the labor market to gain practical skills in the course of the company's day-to-day operations. The trainees have the opportunity to learn about the organization of the Group and the functioning of its organizational units. The Group intends to offer the best interns long-term employment. In 2021, the Group's companies did not record interest in this type of internships of graduates, which could have been dictated by Covid-19 pandemic and the fact that most universities conducted remote learning. Further actions in this regard are planned for 2022.

Training

The Makarony Polskie Group attaches great importance to the effective use of human resources. An important element of this process is ensuring the professional development of employees and continuous improvement of their professional qualifications through specialist training and competence improvement programs. In carrying out activities in this area, the Group focuses mainly on external specialist training and specially prepared, closed competence development programs, which, in the Group's opinion, are the best investment in employees.

In 2021, due to epidemic conditions, the Makarony Polskie Group limited the number of trainings organized in the internal formula, usually organized in a stationary formula. Most of the specialized external open training courses attended by the Group's employees (at various levels) to update and expand their knowledge in the scope necessary to perform their job duties effectively, took place online.

The topics of the training courses concerned changes in regulations and good practices regarding labor law, management of production processes, exports, marketing and advertising activities, remuneration calculation and accounting services. In addition, the Quality Team and employees of the Research and Development Center operating at Makarony Polskie SA broadened their knowledge in the area of international processes and standards in the field of food production.

The Makarony Polskie Group also supports the self-education of its employees and improving their professional qualifications, especially in the areas that are consistent with the scope of performed or planned to perform job tasks, and thus are also important from the point of view of the Group.

It is important to implement the acquired skills in the workplace, as well as to share knowledge within and between individual employee teams. Considering the above, the Group, when designing various training forms, also uses the approach according to which, at periodically

organized internal conferences, the Group's employees become trainers or co-conductors of training - thus developing their own competences and sharing their knowledge with others.

Remuneration system

The motivational remuneration system adopted in the Group assumes that employees receive a remuneration consisting of a fixed part (base remuneration) and a variable part (including bonuses and awards) awarded depending on the amount of work, commitment and the level of achievement of objectives/tasks set for employees by their superiors.

The base remuneration is the result of the rank of the position held, work input, scope of responsibility, qualifications and experience. The Group evaluates individual positions, taking care to maintain a competitive level of remuneration, allowing the recruitment of people with the desired qualifications and experience, based on the best market practices.

Variable remuneration depends on the level of implementation of individual objectives/tasks set by superiors, the involvement of individual employees, their diligence in performing work, increasing the efficiency and quality of work, and special achievements in the implementation of tasks set by their superiors. Its purpose is to motivate employees to achieve high work results consistent with the Group's business interests.

The remuneration system implemented in the Group ensures effective support for business activities and the implementation of the development strategy. The variable part of the remuneration system ensures its flexibility and the ability to adapt to the needs of the organization. Such a remuneration system makes it possible to effectively translate the Group's objectives into the managerial staff, and then cascade the objectives further onto employees.

In 2021, there were no material changes to the remuneration system adopted by the Group.

OHS

As a responsible employer, the Makarony Polskie Group also ensures safe working conditions for its employees. Individual companies of the Group have implemented their own Health and Safety Policies. In accordance with the applicable regulations, in order to protect the health and life of employees, the Group's companies conduct health and safety training, provide preliminary and periodic medical examinations, employ employees with the required qualifications and equip these people with appropriate personal protective equipment.

In 2021, one minor accident at work was reported in the Group.

In the era of constant uncertainty related to the pandemic, Makarony Polskie Group tries to give its employees a sense of security and adapt working conditions to the changing environment:

- teams have been established to constantly monitor the threats resulting from the epidemic situation and to support both employees and Management Boards of the Group's companies in maintaining the highest safety standards in the workplace,
- contracts were concluded with medical companies which, as part of the determination of an increased epidemiological risk in individual locations of the Group, conduct preventive testing for the presence of the Sars-Cov-2 virus among employees,
- formal and practical solutions have been prepared to enable the implementation of duties remotely, in relation to organizational units where such a possibility exists, which in the event of an increased epidemic threat ensures continuity of tasks, and at the same time gives employees a greater sense of security.

Natural environment

The Group is consistently working on minimizing the impact on the natural environment in every area of its activity.



The activities of the Group are focused, inter alia, on the rational use of water and energy, caring for the reduction of carbon dioxide emissions, minimizing the amount of sewage and waste generated by continuous improvement of production processes, the use of modern, energy-saving and efficient technological lines, care for the proper condition of machines and devices. The companies belonging to the Group exercise due diligence in the segregation of waste with division into appropriate fractions. The group conducts educational and information activities aimed at increasing the environmental awareness of the staff.

The Makarony Polskie Group has executed large investment projects aimed at, inter alia, lowering the environmental impact of production plants (thermal insulation of the building and construction of a new facade at the Rzeszow Plant, replacement of lighting with LED lamps), increasing the efficiency and reducing energy consumption of pasta production processes (installation of modern production lines and installation of a precise liquid egg dosing system in the Rzeszow plant, modernization technological lines for the production of rolled pasta, construction of a drying tunnel for continuous drying of pasta) and improvement of working conditions (including reconstruction of ventilation and air conditioning in production halls).

Stoczek Natura Sp. z o.o. also conducts investments aimed at the modernization and automation of production processes in order to optimize them. The company is implementing

a project to replace the current coal-fired boiler room with a modern gas-fired boiler room, which is scheduled for 2020-2021.

Among the pro-environmental activities executed by the Group, the systematic disposal of electro-waste as well as segregated and recycled waste generated during production should also be distinguished.

One of the Group's priorities for 2022-2023 is also investments in ecological energy sources, including assembly of photovoltaic installations in production plants.

Market

The trust of consumers obliges, which is why the Makarony Polskie Group constantly modernizes its plants, has modern production lines and an extensive production process control system, as well as constantly invests in the acquisition and implementation of modern technologies, an example of which can be currently implemented EU projects.

As part of the development, Makarony Polskie SA launched the Research and Development Center of the Pasta Industry, in which work is executed on innovative products, with pro-health features that are to ultimately enrich the company's portfolio.

The main objective of the projects executed by Stoczek Natura Sp. z o.o. is to increase the company's competitiveness and innovation on the domestic and foreign market by introducing technological and product innovations (including products with pro-health values, targeted at a new group of consumers). In the first stage, in Q1 2020, the company offered 9 new products on the market in the dynamically developing product category, i.e. ready-made dishes on trays. These dishes were positively received by the customers.

Each production process taking place in the Makarony Polskie Group plants is strictly supervised by the in-house Quality Control Teams, which ensure the compliance of products with the requirements of food standards and high quality standards of the company. Both raw materials and finished products are thoroughly tested in in-house laboratories, and periodically also tested in independent, accredited external laboratories.



Makarony Polskie SA and Stoczek Natura Sp. z o.o. implemented and certified a quality system that meets the requirements of the international IFS (International Food Standard) and BRC (British

Retail Consortium) standards in order to meet the legal requirements in the field of food safety.

Collaboration with scientific institutions, research laboratories, suppliers of raw materials, machines and packaging is systematically developed.



The Group's achievements in this area are reflected in the awards and prizes received by the Group and its products in 2021.

Perły Rynku FMCG 2021 [FMCG Market Pearls] for the new products of the Makarony Polskie Group

In the nationwide research Perły Rynku FMCG 2021, organized by *Wiadomości Handlowe* Journal, in which an independent jury consisting of representatives of the most important food chains, petrol stations and drugstore chains on the market indicates the most successful food novelties, three SoFood products were awarded prizes:

- Pearl of the FMCG Market 2021 - GOLD! - 1st place in the EKO, BIO, VEGE DISHES category - went to SoFood Vegetarian goulash with mushrooms and buckwheat groats,
- Pearl of the FMCG Market 2021 - GOLD! - 1st place in the READY DISHES category - was awarded to the SoFood Goulash a'la Strogonow product with buckwheat,
- Pearl of the FMCG Market 2021 - BRONZE! - 3rd place in the READY DISHES category - went to SoFood Japanese Beef with Rice.



Gold Medal of the Business-Food-Medicine-Auto Fleet Rzeszow 2021 Fair for SoFood vegetarian cabbage rolls

During the Business-Food-Medicine-Auto Flota Fair in Rzeszow, the jury awards special certificates and "Gold Medals" for FMCG products.

In 2021, during the 24th edition of the Fair, the jury of the competition awarded the Gold Medal to vegetarian cabbage rolls in tomato sauce, hand-rolled of SoFood.

Złoty Paragon 2021 - prize for 2-egg Makarony Polskie dumplings

The Złoty Paragon competition - Polish Merchants Award is a prize awarded by owners and managers of grocery and industrial stores from all over Poland. The competition selects those products and services that have a particular impact on the development of retail trade in Poland.

In 2021, the 2-egg Makarony Polskie Abak dumpling 250g was awarded in the Złoty Paragon competition in the Pasta category. This is another award in a row for this product, which was also awarded in 2020.

Society

The Makarony Polskie Group is involved in the life of local communities in the towns where its production plants and sales offices are located. It actively supports activities and initiatives for the development of culture, education and sport. It is involved in charity and social campaigns. It provides support to public benefit organizations and foundations.

Cooperation with schools and universities

The companies of the Group maintain long-term relationships with the academic community, an example of which is the cooperation of Makarony Polskie SA with the University of Rzeszów in the field of R&D activities and with the University of Life Sciences in Poznań, the University of Information Technology and Management in Rzeszów, and the Warsaw School of Economics, as well as cooperation of Stoczek Natura Sp. z o.o. with the University of Life Sciences in Lublin.

In 2021, the Group companies organized apprenticeships and internships for students of the Rzeszów University of Technology, the University of Rzeszów, the University of Information Technology and Management, and students of the Complex of Electronic Schools in Rzeszów.

Charity work

For many years, the group has been carrying out various types of charity activities at the local and national level, providing support both to children in direct need (Christmas and St. Nicholas' Day campaigns, support for holiday rest), as well as institutions such as hospices, social welfare centers, foundations, scouting associations and schools.

In 2021, the Group once again joined the “Serce dla Rodaka” [Heart for a Countryman] campaign organized by the Kresowe Dziedzictwo Foundation. Approximately 1.5 k Poles were supported as part of the campaign, mainly elderly and lonely people, living in Lviv, Mostyska, Kremenets and Zhovkva.

Product support was also given to the community of the “MONAR” Rehabilitation and Readaptation Center in Rożnowice, which provides care to the uninsured, homeless, sick, lonely, elderly and in need of help.

Permanent cooperation with the Podkarpackie Hospice for Children was also continued - packages with the Group's products (including “Wiejska Zagroda” [Country Farm] animal-shaped pasta and Novelle brand vegetable pastas) were delivered to the families and patients of the Hospice.

In 2021, the employees of the Rzeszow plant joined the campaign to support the wards of the Hospice, who, as part of employee volunteering, collected and handed over to children products that were on the “Letter to Santa Claus” prepared by the hospice employees, e.g. toys, sweets, shampoos, washing gels, diapers.

Patronage and sponsorship of culture and sport

Makarony Polskie Group patronizes cultural and sports events, both nationwide and local ones.



Sponsorship of the 17th International Song Festival “Carpathia Festival”. Worldwide events, held annually in Rzeszow. The festival has promoted many of the current stars of the vocal scene and enjoys unflagging popularity. The event is organized by the Rzeszow City Hall, the Center for Vocal Art in Rzeszow and the Rzeszow Stage. The main award for the winner is the co-financing of the album release or the costs of organizing the concert tour, an invitation to a concert in the next edition of the Festival and a commemorative statuette.



Permanent sponsorship of the sports activities of the World Champion in the forms of taiji of Anna Kubiak by Makarony Polskie SA. In addition to national competitions, as a member of the Polish Team, it represents our country at various international competitions, including the European and World Championships.

