



PEPEES CAPITAL GROUP

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

for the 6-month period ended 30 June 2024

**PREPARED IN ACCORDANCE WITH
INTERNATIONAL FINANCIAL
REPORTING STANDARDS AS ADOPTED
BY THE EUROPEAN COMMISSION**

PEPEES CAPITAL GROUP

Interim Condensed Consolidated Financial Statements for the
6-month period ended 30 June 2024 (data in PLN thousand).

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INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

No.	ASSETS	As at 30 June 2024	As at 31 December 2023	As at 30 June 2023
A.	(Long-term) fixed assets	180,428	180,779	170,772
1	Tangible fixed assets	160,818	159,494	150,721
2	Intangible assets	135	165	188
3	Rights to assets	12,033	13,145	12,487
4	Investment property	548	553	558
5	Goodwill	1,320	1,320	1,320
6	Investments in other parties	713	713	383
7	Deferred income tax assets	4,861	5,389	5,115
B.	(Short-term) current assets	117,790	197,714	121,220
1	Inventories	51,487	109,850	63,061
2	Biological assets	3,788	34	3,833
3	Trade and other short-term receivables	48,180	32,707	38,991
4	Current income tax receivables	1,196	1	1
5	Other financial assets	10,430	10,390	7,393
6	Cash and cash equivalents	2,709	44,732	7,941
	Total assets	298,218	378,493	291,992

No.	LIABILITIES	As at 30 June 2024	As at 31 December 2023	As at 30 June 2023
A.	Equity	170,878	180,296	182,683
I	Capital attributable to shareholders of the Company	168,440	177,312	178,999
1	Share capital	5,700	5,700	5,700
2	Issue price surplus over nominal value of shares	7,562	7,562	7,562
3	Treasury shares	(1,222)	(1,424)	(1,649)
4	Revaluation reserve	30,998	30,985	31,004
5	Retained profit	125,402	134,489	136,382
II	Non-controlling shares	2,438	2,984	3,684
B.	Liabilities	127,340	198,197	109,309
I.	Long-term liabilities	39,385	39,996	32,068
1	Credits and loans	15,787	12,988	4,977
2	Liabilities for leased assets	12,912	14,677	15,254
3	Provision for deferred income tax	5,336	5,609	5,971
4	Retirement and similar benefit liabilities	3,541	3,574	3,270
5	Subsidies	1,809	1,864	1,920
6	Other liabilities	-	1,284	676
II.	Short-term liabilities	87,955	158,201	77,241
1	Trade and other short-term liabilities	28,560	24,474	23,268
2	Current income tax liabilities	1	3,499	2,578
3	Credits and loans	55,462	125,395	46,179
4	Liabilities for leased assets	3,473	4,350	4,694
5	Retirement and similar benefit liabilities	459	483	522
	Total liabilities	298,218	378,493	291,992

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INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

No.	Item	For the 6-month period ended 30 June 2024	For the 6-month period ended 30 June 2023
I	Sales revenue	113,809	121,523
II	Own cost of sales	(97,768)	(84,077)
III	Gross profit on sales (I-II)	16,041	37,446
1	Sales and marketing costs	(5,561)	(5,290)
2	Overheads	(18,403)	(17,998)
3	Other operating income	1,533	194
4	Other operating costs	(384)	(732)
IV	Operating profit (loss)	(6,774)	13,620
1	Financial expenses	(4,700)	(4,965)
2	Financial revenue	696	1,161
V	Pre-tax profit (loss)	(10,778)	9,816
	Income tax	(257)	(3,192)
VI	Net profit (loss) on continued operations	(11,035)	6,624
	Net profit (loss) on discontinued operations	-	-
	Net profit (loss), including:	(11,035)	6,624
	- attributable to shareholders of the Parent	(10,489)	6,255
	- attributable to non-controlling shares	(546)	369
VII	Other comprehensive income	13	(46)
VIII	Total comprehensive income, including:	(11,022)	6,578
	- attributable to shareholders of the Parent	(10,476)	6,209
	- attributable to non-controlling shares	(546)	369
IX	Net profit (loss) per ordinary share	(0.12)	0.07
	- from continuing operations	(0.12)	0.07
	- from discontinued operations	0.00	0.00
IX	Diluted net profit (loss) per ordinary share	(0.12)	0.07
	- from continuing operations	(0.12)	0.07
	- from discontinued operations	0.00	0.00

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INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Item	Share capital	Share premium	Treasury shares	Revaluation reserve	Retained profit	Total equity attributable to Parent's shareholders	Non-controlling shares	Total equity
As at 01 January 2023	5,700	7,562	(224)	31,050	139,131	183,219	3,315	186,534
Changes in H1 2023								
Net profit (loss)					6,255	6,255	369	6,624
Other comprehensive income				(46)		(46)		(46)
Comprehensive income	-	-	-	(46)	6,255	6,209	369	6,578
Purchase of treasury shares			(1,425)			(1,425)		(1,425)
Dividend					(9,381)	(9,381)		(9,381)
Other consolidation adjustments					377	377		377
As at 30 June 2023	5,700	7,562	(1,649)	31,004	136,382	178,999	3,684	182,683
Changes in 2023						-		-
Net profit (loss)	-				3,999	3,999	(331)	3,668
Other comprehensive income	-		-	(65)		(65)		(65)
Comprehensive income	-	-	-	(65)	3,999	3,934	(331)	3,603
Purchase of treasury shares			(1,200)			(1,200)		(1,200)
Dividend	-	-	-	-	(9,381)	(9,381)		(9,381)
Other consolidation adjustments	-	-	-	-	740	740		740
As at 31 December 2023	5,700	7,562	(1,424)	30,985	134,489	177,312	2,984	180,296
As at 1 January 2024	5,700	7,562	(1,424)	30,985	134,489	177,312	2,984	180,296
Changes in H1 2024								
Net profit (loss)					(10,489)	(10,489)	(546)	(11,035)
Other comprehensive income				13		13		13
Comprehensive income	-	-	-	13	(10,489)	(10,476)	(546)	(11,022)
Measurement of own shares to market value			202			202		202
Dividend						-		-
Other consolidation adjustments					1,402	1,402		1,402
As at 30 June 2024	5,700	7,562	(1,222)	30,998	125,402	168,440	2,438	170,878

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INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

Indirect method	For the 6-month period ended 30 June 2024	For the 6-month period ended 30 June 2023
A. Cash flows from operating activities		
I. Pre-tax profit (loss)	(10,778)	9,816
II. Total adjustments	49,100	43,379
1. Amortisation	6,556	6,529
2. Exchange (profit) losses	(88)	27
3. Interest and profit sharing (dividend)	4,283	4,245
4. (Profit) loss on investing activities	(234)	(1,046)
5. Change in provisions	13	426
6. Change in inventory	58,363	41,756
7. Change in biological assets	(3,754)	(3,507)
8. Change in receivables	(16,652)	(3,991)
9. Change in short-term liabilities, excluding credits and loans	4,619	1,061
10. Change in advances	(585)	943
11. Income tax paid	(4,605)	(3,551)
12. Change in subsidies	(55)	(48)
13. Change in accrued interest on loans and commissions	(105)	-
14. Change in rights to assets	1,405-	(1,001)
15. Depreciation of CO2 emission rights	-	1,582
16. Other adjustments	(61)	(46)
III. Net cash flows from operating activities (I+/- II)	38,322	53,195
B. Cash flow from investment activities		
I. Inflows	1,381	453
1. Disposal of intangible assets and tangible fixed assets	823	443
2. Repayment of loans	327	10
3. Rental income	231	-
II. Expenditure	6,377	7,823
1. Purchase of intangible assets and tangible fixed assets	6,377	6,168
2. Purchase of property rights	-	1,155
3. Loans granted	-	500
III. Net cash flows from investing activities (I-II)	(4,996)	(7,370)
C. Cash flow from financing activities		
I. Inflows	9,855	5,505
1. Credits and loans	7,706	5,405
2. Additional payments and subsidies received	2,149	100
II. Expenditure	85,204	101,076
1. Repayment of credits and loans	78,523	92,672
2. Interest on bank credits and loans	4,143	4,093
3. Purchase of treasury shares	-	1,676
4. Payments under factoring agreements	96	-
5. Payments from lease contracts	2,442	2,635
III. Net cash flows from financial activities (I-II)	(75,349)	(95,571)
D. Total net cash flows (A.III+/-B.III+/-C.III)	(42,023)	(49,746)
E. Cash opening balance	44,732	57,687
F. Cash closing balance (E+/-D)	2,709	7,941
<i>including: limited disposal cash</i>	-	-

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SELECTED FINANCIAL DATA CONVERTED INTO EUR

No.	SELECTED FINANCIAL DATA	IN PLN THOUSAND		IN EUR THOUSAND	
		2024	2023	2024	2023
I	H1 total sales revenue	113,809	121,523	26,400	26,343
II	H1 net profit or loss attributable to shareholders of the Parent	(10,489)	6,255	(2,433)	1,356
III	H1 net comprehensive income attributable to shareholders of the Parent	(10,476)	6,209	(2,430)	1,346
IV	H1 net cash flows from operating activities	38,322	53,195	8,890	11,531
V	H1 net cash flows from investing activities	(4,996)	(7,370)	(1,159)	(1,598)
VI	H1 net cash flows from financing activities	(75,349)	(95,571)	(17,479)	(20,718)
VII	H1 net cash flows	(42,023)	(49,746)	(9,748)	(10,784)
VIII	Total assets as at 30/06/2024 and 31/12/2023	298,218	378,493	69,144	87,050
IX	Equity attributable to shareholders of the Parent as at 30/06/2024 and 31/12/2023	168,440	177,312	39,054	40,780
X	H1 profit (loss) per ordinary share in PLN/EUR	(0.11)	0.07	(0.03)	0.02
XI	Book value per share as at 30/06/2024 and 31/12/2023 in PLN/EUR	1.77	1.87	0.41	0.43

The data presented in rows VIII, IX and XI in “2024” and “2023” columns refer to the status as at 30 June 2024 and 31 December 2023.

The following exchange rates announced by the National Bank of Poland were used to convert selected financial data into Euro:

- selected items of the interim condensed consolidated statement of financial position as at 30/06/2024 at the average exchange rate of EUR 1 = PLN 4.3130, valid as of the balance sheet date;
- selected items of the interim condensed consolidated statement of financial position as at 31/12/2023 at the average exchange rate of EUR 1 = PLN 4.3480, valid as of the balance sheet date;
- selected items of the interim condensed consolidated statement of comprehensive income and interim condensed consolidated statement of cash flows for the period from 1 January 2024 to 30 June 2024 at the exchange rate being the arithmetic mean of the average exchange rates announced by the National Bank of Poland valid as of the last day of each month of H1 2024 - EUR 1 = PLN 4,3109;
- selected items of the interim condensed consolidated statement of comprehensive income and interim condensed consolidated statement of cash flows for the period from 1 January 2023 to 30 June 2023 at the exchange rate being the arithmetic mean of the average exchange rates announced by the National Bank of Poland valid as of the last day of each month of H1 2023 - EUR 1 = PLN 4,6130.

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PROFIT PER SHARE

Item	For the 6-month period ended 30 June 2024	For the 6-month period ended 30 June 2023
Net profit (loss) attributable to PEPEES shareholders	(10,489)	6,255
Weighted average number of shares	95,000,000	95,000,000
Basic net profit (loss) per share (expressed in PLN per share)	(0.11)	0.07
Net profit (loss) attributable to "PEPEES" S.A. shareholders, used in determining diluted profit per share	(10,489)	6,255
Weighted average number of ordinary shares for diluted profit per share purposes	95,000,000	95,000,000
Diluted net profit (loss) per share (expressed in PLN per share)	(0.11)	0.07
Annualised net profit attributable to "PEPEES" S.A. shareholders	(12,745)	11,536
Weighted average number of shares	95,000,000	95,000,000
Annualised net profit per share (expressed in PLN per share)	(0.13)	0.12

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NOTES TO THE FINANCIAL STATEMENTS

1. General information about the Parent

Full name:	Przedsiębiorstwo Przemysłu Spożywczego “PEPEES” S.A.
Registered address:	18-402 Łomża, ul. Poznańska 121
ID:	REGON (National Business Registry) number: 450096365
NIP:	718-10-05-512
Registration Authority:	District Court in Białystok, 12th Commercial Division of the National Court Register
Number in the register:	000038455
Legal form:	Joint Stock Company
Organisational form:	Single business enterprise
Core business by PKD division:	10.62.Z Manufacture of starches and starch products.
Industry:	Food
Duration:	indefinite

Composition of the Management Board as at 30 June 2024:

Wojciech Faszczewski	President of the Management Board
Tomasz Krzysztof Rogala	Member of the Management Board.

Composition of the Supervisory Board as at 30 June 2024:

Maciej Kaliński	Chairman of the Supervisory Board
Robert Malinowski	Deputy Chairman of the Supervisory Board
Agata Czerniakowska	Secretary of the Supervisory Board
Kajetan Rościszewski	Member of the Supervisory Board
Jacek Okoński	Member of the Supervisory Board

The composition of the Audit Committee as at 30 June 2024:

Maciej Kaliński	Chairman of the Audit Committee
Jacek Okoński	Deputy Chairman of the Audit Committee
Agata Czerniakowska	Member of the Audit Committee
Robert Malinowski	Member of the Audit Committee
Kajetan Rościszewski	Member of the Audit Committee.

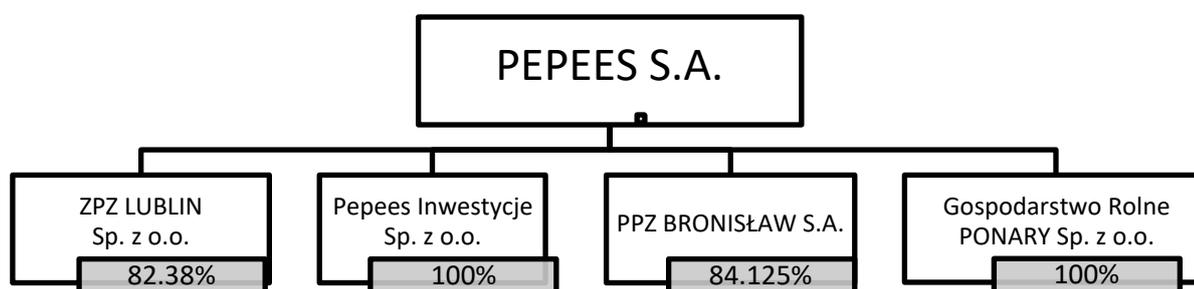
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2. Information on reporting periods

The presented interim condensed consolidated financial statements cover the period from 1 January 2024 to 30 June 2024 and the comparative financial data and notes cover the period from 1 January 2023 to 30 June 2023 and additionally as at 31 December 2023 in the case of the statement of financial position and statement of changes in equity.

3. Structure of the PEPEES Capital Group

3.1. The PEPEES Capital Group structure as at 30/06/2024



3.2. General information on related parties in the PEPEES Capital Group

In the interim condensed consolidated financial statements of the PEPEES Capital Group for the H1 period ended 30 June 2024, the following related parties were consolidated in addition to Przedsiębiorstwo Przemysłu Spożywczego “PEPEES” S.A.:

Name	Registered office	Core business	Registration court	Issuer's share in capital (%)	Share in the total number of votes (%)
ZPZ LUBLIN Sp. z o.o.	Lublin	Production and sale of potato syrup and dried potatoes, processing of fruit and vegetables	District Court in Lublin, 11th Commercial Division of the National Court Register	82.38	82.38
Pepees Inwestycje Sp. z o.o.	Łomża	Purchase and sales of property for own account	District Court in Białystok, 12th Commercial Division of the National Court Register	100	100
PPZ BRONISŁAW S.A.	Bronisław	Manufacture of starches and starch products	District Court in Bydgoszcz, 13th Commercial Division of the National Court Register	+ 84.125	84.125
Gospodarstwo Rolne Ponary Sp. z o.o.	Łomża	Agricultural crops combined with animal husbandry	District Court in Białystok, 12th Commercial Division	100	100

All subsidiaries were consolidated using the full method.

During the reporting period and up to the date of this report, there were no changes in the structure of the Issuer's Capital Group.

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3.3. Basic financial information as at 30 June 2024 concerning related parties

Basic financial information as at 30 June 2024 concerning related parties is set out below.

Item	PPZ BRONISŁAW S.A.	ZPZ LUBLIN Sp. z o.o.	Gospodarstwo Rolne Ponary Sp. z o.o.	PEPEES Inwestycje Sp. z o.o.
Current assets as at 30/06/2024	17,036	7,653	191	42
Fixed assets as at 30/06/2024	42,253	5,928	21,286	-
Short-term liabilities as at 30/06/2024	36,209	6,402	225	-
Long-term liabilities as at 30/06/2024	13,534	1,935	4,899	-
Sales revenue	30,733	11,442	-	-
Financial result of continuing operations	(3,478)	33	59	(3)
Net financial result of discontinued operations	-	-	-	-
Other comprehensive income	-	-	-	-
Total comprehensive income	(3,478)	33	59	(3)

3.4. Basis for the preparation of the interim condensed consolidated financial statements

These interim condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”), in particular International Accounting Standard 34 and IFRS as endorsed by the EU. As at the date of approval of this report for publication, taking into account the implementation process of IFRS taking place within the EU and the Group’s operations, there is no difference between IFRS standards that have come into force and IFRS standards endorsed by the EU in terms of the accounting policies applied by the Group. IFRS include standards and interpretations accepted by the International Accounting Standards Board (“IASB”) and the International Financial Reporting Interpretations Committee (“IFRIC”).

These interim condensed consolidated financial statements are presented in Polish zloty (“PLN”) and all figures, unless indicated otherwise, are given in PLN thousand.

These interim condensed consolidated financial statements have been prepared on the assumption that the Group will continue as a going concern in the foreseeable future. As at the date of approval of these interim condensed consolidated financial statements, the Management Board of Przedsiębiorstwo Przemysłu Spożywczego “PEPEES” S.A. is not aware of any circumstances that would indicate a threat to the Group continuing as a going concern.

The interim condensed consolidated financial statements do not contain all the information required for annual consolidated financial statements and should be read in conjunction with the consolidated financial statements for the financial year ended 31 December 2023.

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4. Approval of the interim condensed consolidated financial statements

These interim condensed consolidated financial statements were approved for publication by the Parent's Management Board on 20 September 2024.

5. Significant accounting principles (policies)

The accounting (policy) principles applied in the preparation of the interim condensed consolidated financial statements are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2023. The Company did not decide to make an early application of any standard, interpretation or amendment that was issued but is not yet effective in light of the provisions of law of the European Union.

6. New accounting standards and interpretations adopted by the International Accounting Standards Board

New standards and interpretations endorsed by the International Accounting Standards Board and approved for use in the European Union after 1 January 2024

Standard	Description of amendments	Effective date
Amendments to IFRS 16 "Leases"	The amendments introduce a new approach to the measurement of lease liabilities in sale and sale-and-leaseback transactions.	1 January 2024
Amendments to IAS 1 <i>Presentatio n of the Financial Statements</i>	The amendments relate to clarifying the requirements for the classification of liabilities into short-term or long-term.	1 January 2024
Amendments to IAS 7 <i>Cash flow statement</i> and IFRS 7 <i>Financial instruments – disclosures</i>	The amendments clarify disclosure requirements to help users of financial statements understand the impact of supplier liability financing agreements on the entity's liabilities, cash flows and liquidity risk exposure.	1 January 2024

The amendments to the above standards did not have a material impact on the Company's financial position or results of operations in the period of their initial application.

New standards and interpretations approved by the International Accounting Standards Board and approved for use in the European Union after 1 January 2025.

Standard	Description of amendments	Effective date
Amendments to IAS 21 <i>The effects of changes in foreign exchange rates</i>	The amendments set out the method an entity should use to assess whether a currency is convertible into another currency and how it should set a spot exchange rate when it is not.	1 January 2025

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Amendments rejected or deferred by the European Union (endorsed by the International Accounting Standards Board)

Standard	Description of amendments	Effective date
IFRS 14 <i>Regulatory prepayments and accruals</i>	Accounting policy and disclosure rules for regulatory deferral accounts	In accordance with the European Commission's decision, the approval process for the preliminary version of the standard will not be initiated until the final standard version is published
Amendments to IFRS 10 and IAS 28	Includes guidelines for the sale or contribution of assets by an investor to an associate or joint venture	Works on approval have been postponed indefinitely

The effective dates are dates resulting from the content of standards announced by the International Accounting Standards Board. The effective dates of standards in the European Union may vary from the effective dates resulting from the content of standards and are announced upon the EU approval for application.

The Issuer has not opted for early application of any standard, interpretation or amendment that has been published but is not yet effective.

The Management Board is in the process of analysing what impact the above changes will have on the Capital Group's financial statements.

7. Unusual items with a significant impact on assets, liabilities, capital, financial result and cash flows

This report does not include any unusual items with a significant impact on the Group's assets, liabilities, capital, financial result and cash flows.

8. Amendments to accounting policies, correction of errors and presentation

The Group did not correct previous years' errors and did not change its previously applied accounting policies during the reporting period, except for the application of new or revised standards and interpretations, effective for annual periods beginning on or after 1 January 2024.

9. Explanation of the seasonal or cyclical nature of operations

The Group operates in the "potato processing" segment. Potatoes are bought and processed in the autumn over a 3-month period, while the sale of the produced products continues throughout the year.

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10. Estimated values

During the reporting period, the Group did not test its property, plant and equipment for impairment as there were no indications of impairment.

The amounts of receivables revaluation write-downs have been updated to take into account the degree of risk in not receiving payment from customers.

IFRS 9 introduced a new approach to loss estimation for financial assets measured at amortised cost. This approach is based on the determination of expected losses, whether or not there is an indication of impairment.

The Group monitors changes in credit risk associated with individual financial assets and calculates write-downs for each asset in accordance with an established expected loss methodology.

The Group incorporates forward-looking information into the applied parameters of the expected loss estimation model, either by adjusting the underlying insolvency probability ratios (for receivables) or by calculating default probability parameters based on current market quotes (for other financial assets).

As at the balance sheet date, the Issuer made an estimation of receivable revaluation write-downs using the following model:

Expected credit loss model (trade receivables and granted loans)	Insolvency probability (amount of estimated write-down)
Not overdue	0.10%
Overdue, including:	
1 to 90 days	1.50%
90 to 180 days	20%
180 to 365 days	50%
over 365 days	100%

Provisions for retirement benefits and jubilee bonuses have been created based on actuarial calculations as at 30/06/2024.

Provisions for unused holiday leave were updated on the basis of the size of the projected remuneration of employees together with mark-ups charged to the employer for unused leave as at 30/06/2024.

The Group recognises deferred tax assets on the assumption that taxable profit shall be achieved in the future against which they can be utilised.

The Group carries out annual reviews of the assumed economic useful lives of property, plant and equipment and intangible assets. The last update was on 31 December 2023.

The Parent has performed a sensitivity analysis on the held assets, including goodwill in each of the subsidiaries fully tested for impairment as at 31/12/2023 with the participation of an independent actuary. After the end of the first half of 2024, the parent's Management Board carried out a sensitivity analysis on its own, based on the updated forecasts prepared by the subsidiaries for 2025-2028.

The Company will carry out new full impairment tests as at 31/12/2024.

11. Acquisitions and disposals of items of tangible fixed assets

During H1 2023, the Group acquired fixed assets for an amount of PLN 6,377 thousand. The purchases were primarily related to the construction of a line of modified products of starch at the Parent's premises.

Fixed assets were sold for PLN 823 thousand.

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12. Significant liabilities for the purchase of fixed assets

No credit facility contracts for the purchase of property, plant and equipment were concluded in H1 2024.

On 13 May 2024, the Issuer entered into an agreement for contract with BNP Paribas Bank Polska S.A. of 29 September 2023 for an investment credit to finance and refinance the project for a line for the production of modified products of starch, under which the credit disbursement period was extended to 31 December 2024 (originally to 30 June 2024). PEPEES further undertook to complete the project being the subject of the credit by 31 December 2024. The debt under this credit as at 30/06/2024 was PLN 13,294 thousand.

13. Inventories

INVENTORIES	As at 30 June 2024	As at 31 December 2023	As at 30 June 2023
a) materials	6,155	6,510	7,899
b) semi-finished products and work in progress	1,945	710	4
c) finished products	29,565	87,487	48,135
d) goods	14,211	16,820	7,682
Gross inventories	51,876	111,527	63,720
Revaluation write-downs	(389)	(1,677)	(659)
Net inventories	51,487	109,850	63,061

The value of inventories recognised as an expense in the reporting period amounted to PLN 91,111 thousand (H1 2023 - PLN 78,380 thousand).

14. Biological assets

“PEPEES” S.A. has been leasing a farm (Roje) since March 2014, agricultural land (Krzekoty) since October 2021 and additional land (Wrzosity) since March 2023. All three of these farms were sown with annual crops. Seed acquisition and cultivation costs as at the balance sheet date amounted to PLN 7,204 thousand, agricultural operations revenue amounted to PLN 1,070 thousand and the fair value of biological assets less sales costs was approx. PLN 3,788 thousand. Biological assets were recognised at fair value in the report.

15. Trade and other short-term receivables

TRADE AND OTHER SHORT-TERM RECEIVABLES	As at 30 June 2024	As at 31 December 2023	As at 30 June 2023
Trade receivables	37,316	21,544	28,419
Other receivables	2,176	9,144	2,891
Advances	8,688	2,019	7,681
Total	48,180	32,707	38,991

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(GROSS) TRADE RECEIVABLES WITH THE FOLLOWING MATURITY AS AT THE BALANCE SHEET DATE:	As at 30 June 2024	As at 31 December 2023	As at 30 June 2023
a) up to 1 month	8,148	14,292	5,348
b) between 1 and 3 months	16,444	4,150	13,301
c) between 3 and 6 months	9,598	24	7,069
d) from 6 months up to 1 year	8	111	6
e) over 1 year	36	-	17
f) overdue receivables	3,766	3,739	4,090
(Gross) total trade receivables	38,000	22,316	29,831
- trade receivables revaluation write-downs	(684)	(772)	(1,412)
(Net) total trade receivables	37,316	21,544	28,419

Overdue receivables, on which no allowance has been made, are receivables from debtors with whom the Group has been working for several years and based on an assessment of these debtors' economic and financial situation there is no indication that they are doubtful receivables. The overdue period of these receivables ranges from a few days to three months. There are no receivables overdue for more than 180 days for which a revaluation write-down has not been created. Revaluation write-downs are created in accordance with the expected credit loss model.

16. Trade and other short-term liabilities

TRADE LIABILITIES AND OTHER SHORT-TERM LIABILITIES	As at 30 June 2024	As at 31 December 2023	As at 30 June 2023
- trade receivables	13,210	16,040	9,931
- other short-term liabilities (*including dividend settlements with shareholders)	5,262	7,076	11,725*
- liabilities covered by reverse factoring	8,391	-	-
- provisions for other liabilities and other charges	1,697	1,358	1,612
Total trade liabilities, other liabilities and provisions for liabilities	28,560	24,474	23,268

As part of its working capital management, the Issuer uses reverse factoring agreements for its liabilities, as part of which it factors invoices relating to purchases from selected suppliers. Given the potential impact of such agreements on the statement of cash flows and the statement of financial position, the Management Board makes a judgement as to whether the nature of the liability changes materially as a result of application of factoring and whether a change in presentation is required. The Issuer presents the reverse factoring liabilities in its statement of financial position as "trade and other short-term liabilities", as in the Management Board's judgement there has been no significant change in the nature of these liabilities as a result of factoring the liabilities in question, including, among other things, that the repayment deadline of the reverse factoring liabilities does not significantly exceed the repayment deadlines agreed with individual suppliers.

The property, plant and equipment charges for liabilities covered by reverse factoring for individual factors are as follows:

- PKO Faktoring S.A. - contractual mortgage of up to PLN 6,375 thousand on a built-up property located in Łomża, belonging to PEPEES S.A., together with assignment of receivables under the policy.
- Santander Factoring Sp. z o.o. - contractual mortgage of up to PLN 6,750 thousand on a built-up property located in Łomża, belonging to PEPEES S.A., together with assignment of receivables under the policy.

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TRADE LIABILITIES	As at 30 June 2024	As at 31 December 2023	As at 30 June 2023
- for deliveries and services with maturity date:	13,210	16,040	9,931
- up to 12 months	13,210	16,040	9,931
- overdue more than 180 days	-	-	-

17. Litigation settlements

On 25/06/2019 the Management Board of Przedsiębiorstwo Przemysłu Spożywczego “PEPEES” S.A. filed a lawsuit to establish that the shareholder of EPSILON Fundusz Inwestycyjny Zamknięty Aktywów Niepublicznych, holding, according to the information in the Company’s possession, 27,714, 832 shares, lost and cannot exercise the voting rights from 21,402,233 shares due to the breach of the obligation to notify of the acquisition of significant blocks of shares pursuant to Article 89(1)(1) of the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and on Public Companies. Epsilon FIZ AN takes the opposite position, maintaining that it is entitled to voting rights under 27,714,832 shares representing 29.17% of the total number of votes at the GMS. The Chairman of the Financial Supervision Authority joined the case and presented their position on 24 July 2019. The Company reported on the case in current reports Nos. 13/2019, 14 to 23/2019 and 30/2019.

On 21/04/2023 the District Court of Białystok ruled that EPSILON Fundusz Inwestycyjny Zamknięty Aktywów Niepublicznych, which is a shareholder of the Company, has lost the voting rights and cannot exercise them under 21,402,233 ordinary shares. This ruling was not final, as the Issuer informed in current report No. 7/2023. On 26 July 2024 the Court of Appeal in Białystok dismissed the appeal against the ruling of the District Court in Białystok, in which the District Court determined that EPSILON Fundusz Inwestycyjny Zamknięty Aktywów Niepublicznych, with its registered office in Warsaw, being a shareholder of the Company, has lost and cannot exercise voting rights from 21,402,233 ordinary bearer shares of the Company. This decision is legally binding. The Company announced this in current report No. 11/2024.

As at the date of this report, there are pending lawsuits filed by EPSILON Fundusz Inwestycyjny Zamknięty Aktywów Niepublicznych in Warsaw against “PEPEES” S.A.:

- to annul or declare invalid resolutions Nos. 24 to 29, adopted on 28/06/2019 by the Ordinary General Meeting of Shareholders, including resolution No. 28 on amending the Company’s Articles of Association and authorising the Company’s Management Board to increase the Company’s share capital within the framework of authorised capital with the possibility for the Management Board to exclude the pre-emptive rights of the Company’s existing shareholders in whole or in part with the consent of the Company’s Supervisory Board. The District Court suspended the proceedings pending the final conclusion of the proceedings in the PEPEES v EPSILON action for determination of loss of voting rights;
- to annul or declare invalid two discharge resolutions adopted on 21/04/2020 by the General Meeting of Shareholders. The proceedings are pending before the court of first instance. The District Court suspended the proceedings pending the final conclusion of the proceedings in the PEPEES v EPSILON action for determination of loss of voting rights;
- to annul or declare invalid four resolutions adopted on 29 June 2021 by the Ordinary General Meeting of Shareholders, i.e. resolution No. 4 on the consideration and approval of the Company’s financial statements for the period from 01/01/2020 to 31/12/2020, resolution No. 9 on the allocation of the Company’s net profit for the financial year 2020, and resolutions No. 10 and 11 on granting discharge to the members of the Company’s Management Board. The proceedings are pending before the court of first instance. On 11 January 2022 the District Court suspended the proceedings pending the final conclusion of the proceedings in the PEPEES v EPSILON action for determination of loss of voting rights;
- to annul or declare invalid nine resolutions adopted on 14 April 2022 by the Ordinary General Meeting of Shareholders on the consideration and approval of the Company’s financial statements for the

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period from 01/01/2021 to 31/12/2021, the consolidated report, the Company’s management report, the allocation of the Company’s net profit for the financial year 2021, granting discharge to the Company’s Management Board members, the appointment of 2 Supervisory Board members, the purchase of treasury shares and the creation of reserve capital. The proceedings are pending before the court of first instance. The District Court suspended the proceedings pending the final conclusion of the proceedings in the PEPEES v EPSILON action for determination of loss of voting rights;

- to annul or declare invalid three resolutions adopted on 25 May 2023 by the Ordinary General Meeting of Shareholders, i.e. resolutions No. 9 and 10 on granting discharge to the members of the Company’s Management Board and resolution No. 11 on granting discharge to the Chairman of the Supervisory Board. The proceedings are pending before the court of first instance. Trial date has not yet been set.

Otherwise, there are no other significant proceedings pending before a court, an authority competent to conduct arbitration proceedings or a public administration body concerning the liabilities and receivables of the Issuer or its subsidiaries.

Several court cases are pending against the Group’s debtors for trade settlements. 100% revaluation write-downs were created for all receivables in litigation.

18. Outstanding credits and loans

As at the balance sheet date there exist bank credits listed in the following tables, repayable according to maturity. Loans between Capital Group companies have been excluded from the consolidated report.

Long-term and short-term liabilities

No.	Credit/loan type	Borrower	Bank granting the credit/loan	Amount of credit/loan acc. to the contract	Outstanding credit /loan amount	Currency	Repayment date
1	Overdraft facility	“Pepees” S.A.	Santander Bank Polska S.A.	4,000	1,564	PLN	31/08/2025
2	Working capital facility	“Pepees” S.A.	Santander Bank Polska S.A.	36,500	13,688	PLN	31/08/2025
3	Overdraft facility	“Pepees” S.A.	Powszechna Kasa Oszczędności Bank Polski S.A.	4,000	1,848	PLN	31/08/2025
4	Working capital facility	“Pepees” S.A.	Powszechna Kasa Oszczędności Bank Polski S.A.	36,500	13,688	PLN	31/08/2025
5	Investment credit to finance and refinance the acquisition of 100% of the shares in Gospodarstwo Rolne Ponary Sp. z o.o.	“Pepees” S.A.	Powszechna Kasa Oszczędności Bank Polski S.A.	10,530	1,630	PLN	30/06/2025
6	Loan for the purchase of a property, plant and equipment asset - Deutz Fahr agricultural tractor	“Pepees” S.A.	BNP Paribas Lease Group	937	183	PLN	13/08/2024
7	Loan for the purchase of a Fendt 942 Vario Gen7 ProfiPlus agricultural tractor	“Pepees” S.A.	AGCO Finanse Sp. z o.o.	1,260	1,033	PLN	20/10/2025
8	Loan for the purchase of a Deutz Fahr 9340 AGROTRON TTV agricultural tractor	“Pepees” S.A.	BNP Paribas Lease Group	924	616	PLN	13/12/2026

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No.	Credit/loan type	Credit borrower/Loan borrower	Bank granting the credit/loan	Amount of credit/loan acc. to the contract	Outstanding credit/loan amount	Currency	Repayment date
9	Loan for the purchase of a Deutz Fahr 8280 AGROTRON TTV agricultural tractor	“Pepees” S.A.	BNP Paribas Lease Group	793	563	PLN	13/03/2027
10	Investment credit to finance and refinance investment for production line for modified products of starch	“Pepees” S.A.	BNP Paribas Bank Polska S.A.	3,500	3,082	EUR	30/09/2030
11	Overdraft facility	“Pepees” S.A.	BNP Paribas Bank Polska SA	1,000	-	EUR	04/12/2024
12	Working capital facility	ZPZ Lublin Sp. z o.o.	Powszechna Kasa Oszczędności Bank Polski S.A.	6,500	2,438	PLN	31/08/2025
13	Working capital facility	ZPZ Lublin Sp. z o.o.	Santander Bank Polska S.A.	6,500	2,451	PLN	31/08/2025
14	Overdraft facility	ZPZ Lublin Sp. z o.o.	Powszechna Kasa Oszczędności Bank Polski S.A.	2,000	232	PLN	31/08/2025
15	Overdraft facility	ZPZ Lublin Sp. z o.o.	Santander Bank Polska S.A.	2,000	100	PLN	31/08/2025
16	Overdraft facility	PPZ Bronisław S.A.	Santander Bank Polska S.A.	700	550	PLN	31/08/2025
17	Working capital facility	PPZ Bronisław S.A.	Santander Bank Polska S.A.	17,800	6,675	PLN	31/08/2025
18	Overdraft facility	PPZ Bronisław S.A.	Powszechna Kasa Oszczędności Bank Polski S.A.	700	654	PLN	31/08/2025
19	Working capital facility	PPZ Bronisław S.A.	Powszechna Kasa Oszczędności Bank Polski S.A.	17,800	6,675	PLN	31/08/2025
20	Investment credit for the modernisation of a starch dryer and the construction of a protein recovery facility	PPZ Bronisław S.A.	Bank Ochrony Środowiska S.A.	8,456	3,367	PLN	31/12/2027
Credits granted in PLN				157,900	57,955	PLN	
Credits granted in EUR				4,500	3,082	EUR	
Total value after translation into PLN				177,309	71,249	PLN	

No credit facility contracts were breached during the reporting period. All credits are repaid in accordance with the schedules contained in the contracts.

Hedging

Re 1, 2, 13, 15, 16 and 17

The credits were obtained on the basis of a single agreement, the so-called “Multi-Purpose Credit Limit Agreement”, which is hedged by:

- contractual mortgage of up to PLN 58,500 thousand on property:
 - belonging to PPZ Bronisław S.A.
 - belonging to ZPZ Lublin Sp. z o.o.
- a property, plant and equipment registered pledge with a total value of not less than PLN 28,049 thousand:
 - belonging to PEPEES S.A.
 - belonging to PPZ Bronisław S.A.

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- belonging to ZPZ Lublin Sp. z o.o.
- transfer of cash receivables from insurance contracts for property, plant and equipment and inventories;
- an inventory registered pledge with a total value of not less than PLN 101,250 thousand:
 - belonging to PEPEES S.A.
 - belonging to PPZ Bronisław S.A.
 - belonging to ZPZ Lublin Sp. z o.o.
- global assignment of 40% of receivables:
 - belonging to PEPEES S.A.
 - belonging to PPZ Bronisław S.A.
 - belonging to ZPZ Lublin Sp. z o.o.
- blank promissory note together with a bill of exchange declaration;

Re 3, 4, 12, 14, 18 and 19

The credits were granted on the basis of a single agreement, the so-called “Multi-Line Agreement”.

The above credits are hedged by:

- contractual joint mortgage of PLN 58,500 thousand on property:
 - belonging to PPZ Bronisław S.A.
 - belonging to ZPZ Lublin Sp. z o.o.
- assignment of rights under the insurance policy for property:
 - belonging to PPZ Bronisław S.A.
 - belonging to ZPZ Lublin Sp. z o.o.
- a property, plant and equipment registered pledge with a total carrying amount of not less than PLN 28 million:
 - belonging to PEPEES S.A.
 - belonging to PPZ Bronisław S.A.
 - belonging to ZPZ Lublin Sp. z o.o.
- assignment of rights under insurance policies for property, plant and equipment;
- an inventory registered pledge with a total value of not less than PLN 83,250 thousand, together with the assignment of the inventory insurance policy;
- assignment of rights under inventory insurance policy;
- transfer of receivables arising from the operations of PEPEES S.A., PPZ Bronisław S.A., and ZPZ Lublin Sp. z o.o.;
- blank promissory note together with a bill of exchange declaration;

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Re 5

The investment credit is hedged by a joint mortgage of up to PLN 15,795 thousand, assignment of cash receivables under an insurance contract, registered pledges on 32,400 shares (100% of shares) in Gospodarstwo Rolne Ponary, and a blank promissory note.

Re 6

The credit is hedged by a registered pledge on a Deutz Fahr agricultural tractor and a blank promissory note with a bill of exchange declaration.

Re 7

The credit is hedged by a registered pledge on a Fendt 942 Vario Gen7 ProfiPlus agricultural tractor and a blank promissory note with a bill of exchange declaration.

Re 8

The credit is hedged by a registered pledge on a Deutz Fahr 9340 AGROTRON TTV agricultural tractor and a blank promissory note with a bill of exchange declaration.

Re 9

The credit is hedged by a registered pledge on a Deutz Fahr 8280 AGROTRON TTV agricultural tractor and a blank promissory note with a bill of exchange declaration.

Re 10

The investment credit is hedged by a joint mortgage of up to EUR 5,250 thousand, assignment of rights under insurance policy, registered pledges up to the hedging amount of EUR 5,250 thousand on machinery and equipment (production line for modified products of starch), blank promissory note together with a bill of exchange declaration.

Re. 11

The credit is hedged by:

- a blank promissory note issued by the Borrower together with a bill of exchange declaration;
- a Credit repayment guarantee granted by Bank Gospodarstwa Krajowego under the PLG FGK portfolio guarantee line, in the amount of 40% of the granted Credit, i.e. in an amount not exceeding PLN 1,739,760.00. The term of the guarantee runs from 19 December 2022 to 4 March 2025;
- general silent assignment of the Borrower's receivables from selected debtors.

Re. 20

The credit is hedged by a credit repayment surety granted by "PEPEES" S.A. in the amount of PLN 12,684 thousand.

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19. Transactions with related parties

19.1 Issuer's transactions with subsidiaries

a) Revenue from sales of goods and products

Revenue type	For the 6-month period ended 30 June 2024	For the 6-month period ended 30 June 2023
Revenue from sales of products to subsidiaries	568	625
Revenue from sales of goods and materials to subsidiaries	192	816
Revenue from sales of services	161	163
Revenue from sales of property, plant and equipment to subsidiaries	-	-
Total revenue from related parties	921	1,604

The sales price is determined using the cost-plus method or on the basis of price lists in force with unrelated parties.

b) Purchases of goods and services

Purchase types	For the 6-month period ended 30 June 2024	For the 6-month period ended 30 June 2023
Purchases of products from subsidiaries	13,609	8,506
Purchases of services from subsidiaries	144	45
Purchases of property, plant and equipment from subsidiaries	-	1,016
Total purchases from related parties	13,753	9,567

c) Other transactions

Item	For the 6-month period ended 30 June 2024	For the 6-month period ended 30 June 2023
Interest on loans granted	330	248
Fees on sureties granted	74	63
Fees on sureties received	79	79
Total	483	390

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d) Settlement balances as at the balance sheet date arising from the sale/purchase of goods/services

Settlements with subsidiaries	As at 30 June 2024	As at 31 December 2023	As at 30 June 2023
Receivables - ZPZ Lublin Sp. z o.o.	59	-	-
Receivables and advances - PPZ Bronisław S.A.	1,988	1,587	4,420
Receivables - GR PONARY Sp. z o.o.	-	1	-
Receivables - PEPEES Inwestycje Sp. z o.o.	-	1	1
Liabilities - ZPZ Lublin Sp. z o.o.	188	58	236
Liabilities - PPZ BRONISŁAW S.A.	110	1,597	40
Liabilities - GR PONARY	13	-	-
Balance of settlements with related parties	1,736	(66)	4,145

e) Balance of loan settlements

Loans granted to subsidiaries	As at 30 June 2024	As at 31 December 2023	As at 30 June 2023
PPZ "BRONISŁAW" S.A.	10,861	7,200	7,297
ZPZ "LUBLIN" Sp. z o.o.	-	-	1,000
GR Ponary Sp. z o.o.	224	220	300
Granted loans	11,085	7,420	8,597
Loan write-downs	-	-	-
Loans in the statement of financial position	11,085	7,420	8,597

The Issuer monitors changes in credit risk associated with individual financial assets and calculates write-downs for each asset in accordance with an established expected loss methodology.

Due to the fact that the deadline of granted loans falls on 31/12/2024, and in the model adopted by the Parent the probability of insolvency for not overdue receivables was assumed at the level of 0.1%, the write-down for granted loans, estimated on the basis of the model, amounts to approx. PLN 11 thousand as at 30/06/2024.

The loans have been granted to related parties and there is no risk of non-repayment in the opinion of the Issuer's Management Board. Due to the immaterial value of the estimated write-down, the Parent has waived creating a write-down for loans as at the balance sheet date.

19.2 Issuer's transactions with shareholders

There were no transactions of the Parent with shareholders during the reporting period.

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19.3 The Issuer's transactions with key management and supervisory personnel

a) Benefits for key management personnel (Members of the Management Board) and members of the Supervisory Board

Item	For the 6-month period ended 30 June 2024	For the 6-month period ended 30 June 2023
Short-term employee benefits	1,368	1,196
Post-employment benefits	-	
Severance payments	-	
Share-based payments	-	
Total	1,368	1,196

b) Transactions with key personnel and their close family members

During the reporting period, the Company did not enter into transactions with members of its key personnel and their close family members.

20. Changes in estimated value balances

a) Notes receivable revaluation write-downs

CHANGE IN REVALUATION WRITE-DOWNS FOR SHORT-TERM RECEIVABLES	For the 6-month period ended 30 June 2024	For the 12-month period ended 31 December 2023	For the 6-month period ended 30 June 2023
As at the opening balance	773	1,078	1,078
a) increases (under)	77	438	436
- creation for doubtful trade receivables	21	438	436
- creation for interest receivable	8		
- creation for receivables claimed in court	48		
b) decrease (due to)	165	743	28
- release of payment provisions	88	131	28
- cancellations	77	612	-
Closing balance of write-downs, including:	685	773	1,486

b) Inventory revaluation write-downs

CHANGE IN INVENTORY REVALUATION WRITE- DOWNS	For the 6-month period ended 30 June 2024	For the 12-month period ended 31 December 2023	For the 6-month period ended 30 June 2023
As at the opening balance	1,677	517	517
a) increases (under)	368	2,294	638
- write-downs to net realisable value	368	2,294	638
- impairment write-downs of materials	-		-

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CHANGE IN INVENTORY REVALUATION WRITE-DOWNS	For the 6-month period ended 30 June 2024	For the 12-month period ended 31 December 2023	For the 6-month period ended 30 June 2023
b) decrease (due to)	1,656	1,134	496
- utilisation	-	-	-
- write-down reversals	1,656	1,134	496
Closing balance of inventory revaluation write-downs	389	1,677	659

c) Retirement and similar benefit liabilities

CHANGE IN RETIREMENT AND SIMILAR BENEFIT LIABILITIES (ON ACCOUNT OF)	For the 6-month period ended 30 June 2024	For the 12-month period ended 31 December 2023	For the 6-month period ended 30 June 2023
a) opening balance	4,057	3,397	3,397
- retirement severance pay	748	609	609
- jubilee bonuses	3,309	2,788	2,788
b) increase (under)	259	1,228	624
- retirement severance pay	13	206	103
- jubilee bonuses	246	1,022	521
c) utilisation (under)	316	568	229
- retirement severance pay	36	67	31
- jubilee bonuses	280	501	198
d) release (under)	-	-	-
- retirement severance pay	-	-	-
- jubilee bonuses	-	-	-
d) closing balance	4,000	4,057	3,792
- retirement severance pay	725	748	681
- jubilee bonuses	3,275	3,309	3,111

21. Short-term provisions

CHANGE IN SHORT-TERM PROVISIONS (ON ACCOUNT OF)	For the 6-month period ended 30 June 2024	For the 12-month period ended 31 December 2023	For the 6-month period ended 30 June 2023
a) opening balance	1,358	3,169	3,169
- subsidies for tangible fixed assets	98	98	98
- provisions for services rendered by business partners	51	34	34
- environmental fee	65	73	73
- holiday leave pay provisions	596	870	870
- provision for used CO2 emission rights	-	1,579	1,579
- bonuses for the Management Board and employees	548	515	515
b) increase (under)	1,005	905	397
- environmental fee	21	64	28
- holiday leave pay provisions	595	228	219

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CHANGE IN SHORT-TERM PROVISIONS (ON ACCOUNT OF)	For the 6-month period ended 30 June 2024	For the 12-month period ended 31 December 2023	For the 6-month period ended 30 June 2023
- provisions for services rendered by business partners	31	69	62
- bonus for the Management Board and employees	358	544	88
- other	-	-	-
c) utilisation (under)	666	1,137	227
- environmental fee	65	72	59
- holiday leave pay provisions	4	502	-
- provisions for services rendered by business partners	20	52	34
- bonuses for the Management Board and employees	577	511	134
d) release (under)	-	1,579	1,727
- provision for used CO2 emission rights	-	1,579	1,579
- bonuses for the Management Board and employees	-	-	148
d) closing balance	1,697	1,358	1,612
- subsidies for tangible fixed assets	98	98	98
- provision for used CO2 emission rights	-	-	-
- environmental fee	21	65	42
- holiday leave pay provisions	1,187	596	1,089
- bonuses for the Management Board and employees	329	548	321
- provisions for services rendered by business partners	62	51	62
- other	-	-	-

22. Deferred income tax

DEFERRED INCOME TAX PROVISIONS	As at 30 June 2024	As at 31 December 2023	As at 30 June 2023
Difference between the carrying amount and the tax value of property, plant and equipment	4,130	4,403	5,288
Measurement of investments	1,109	1,109	649
Unrealised foreign exchange differences	97	97	34
Total deferred tax provisions	5,336	5,609	5,971

DEFERRED INCOME TAX ASSETS	As at 30 June 2024	As at 31 December 2023	As at 30 June 2023
Unpaid remuneration	161	185	164
Provision for unused holiday leave	340	116	207
Retirement benefits and jubilee bonuses	646	771	721
Unrealised foreign exchange differences	44	96	35
Revaluation write-offs on receivables	18	14	13
Impairment of inventories	74	319	125
Share revaluation write-downs	18	18	18
Accrued interest on credits	-	43	-
Leased asset liabilities	211	351	481
Consolidation adjustments - retained profit	119	199	78

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DEFERRED INCOME TAX ASSETS	As at 30 June 2024	As at 31 December 2023	As at 30 June 2023
Provision for bonuses for the Management Board and employees	63	104	56
Asset measurement	2,371	2,366	2,301
Tax loss	775	685	894
Other	21	122	22
Total	4,861	5,389	5,115

23. Contingent assets and liabilities

CHANGE IN CONTINGENT ASSETS (ON ACCOUNT OF)	For the 6-month period ended 30 June 2024	For the 12-month period ended 31 December 2023	For the 6-month period ended 30 June 2023
a) opening balance, including	15,795	15,795	15,795
- surety for investment credit by GR PONARY	15,795	15,795	15,795
b) increase (under)	-	-	-
c) closing balance, including	15,795	15,795	15,795
- surety for investment credit by GR PONARY	15,795	15,795	15,795

CHANGE IN CONTINGENT LIABILITIES (ON ACCOUNT OF)	For the 6-month period ended 30 June 2024	For the 12-month period ended 31 December 2023	For the 6-month period ended 30 June 2023
a) opening balance, including	14,720	14,451	14,451
- liabilities under non-competition agreements	2,036	1,767	1,767
- surety for credits to related companies	12,684	12,684	12,684
b) increase (under)	-	269	4
- liabilities under non-competition agreements	-	269	4
- surety for credits to related companies	-	-	-
c) release	-	-	-
- liabilities under non-competition agreements	-	-	-
- credit surety	-	-	-
d) closing balance, including	14,720	14,720	14,455
- liabilities under non-competition agreements	2,036	2,036	1,771
- surety for credits to related companies	12,684	12,684	12,684

24. Issue, redemption and repayment of non-equity and equity securities

There was no issue, redemption or repayment of non-equity or equity securities during the reporting period.

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25. Segment reporting

25.1. Information about products and services

There are three segments within the PEPEES Capital Group, i.e.: “potato processing”, “agricultural crops combined with animal husbandry” and “purchase and sales of property for own account”.

The PEPEES Capital Group operates mainly in the “potato processing” segment. This segment produces:

- potato starch used in households and by the food, pharmaceutical, paper and textile industries;
- several ranges of glucose used by the food, confectionery and pharmaceutical industries;
- maltodextrin, which is an important ingredient in powdered products (ice creams, sauces, soups, fruit extracts, flavoured sprinkles) and nutritional and vitamin and mineral preparations for children and athletes;
- protein which is obtained from potato cell sap by coagulation, separation and drying; it is a valuable component of animal feeds and an excellent substitute for animal protein;
- a wide range of starch syrups for use in the confectionery and baking industry;
- potato grits, potato flakes, potato cubes and dumplings; products used by the food industry.

Other operations concern:

- works and services;
- sales of certain goods and materials;
- cultivation and sale of annual plants;
- buying and selling property for own account (Pepees Inwestycje Sp. z o.o.).

All assets and liabilities of Gospodarstwo Rolne Ponary are allocated to the “agricultural crops combined with animal breeding and husbandry” segment. On the other hand, all assets and liabilities of Pepees Inwestycje are assigned to the “purchase and sales of property for own account” segment.

GR Ponary and Pepees Inwestycje did not generate sales revenue in the first half of 2024. Due to the value of Ponary’s land holdings, the “agricultural crops combined with animal husbandry” segment has been separated in this report for the purpose of presenting its assets and liabilities.

25.2 Segment revenue and results

Item	Revenue		Profit	
	For the 6-month period ended 30 June 2024	For the 6-month period ended 30 June 2023	For the 6-month period ended 30 June 2024	For the 6-month period ended 30 June 2023
Potato processing	113,816	121,530	(7,923)	14,158
- including between segments	7	7		
Agricultural crops combined with animal husbandry	-	-	-	-

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Item	Revenue		Profit	
	For the 6-month period ended 30 June 2024	For the 6-month period ended 30 June 2023	For the 6-month period ended 30 June 2024	For the 6-month period ended 30 June 2023
Purchase and sales of property for own account	-	-	-	-
Total sales revenue	113,809	121,523	(7,923)	14,158
Other operating income			1,533	194
Other operating costs			(384)	(732)
Profit (loss) on disposal of a subsidiary			-	-
Financial revenue			696	1,161
Financial expenses			(4,700)	(4,965)
Pre-tax profit (loss)			(10,778)	9,816

25.3 Segment assets and liabilities

Segment assets	As at 30 June 2024	As at 31 December 2023	As at 30 June 2023
Potato processing	292,850	373,511	287,439
Agricultural crops combined with animal husbandry	5,344	4,936	4,516
Purchase and sales of property for own account	24	46	37
Total assets of the segments	298,218	378,493	291,992

Segment liabilities	As at 30 June 2024	As at 31 December 2023	As at 30 June 2023
Potato processing	127,340	198,197	109,309
Agricultural crops combined with animal husbandry	-	-	-
Purchase and sales of property for own account	-	-	-
Total segment liabilities	127,340	198,197	109,309

25.4 Other segment information

Segment	Amortisation		Increase in fixed assets	
	For the 6-month period ended 30 June 2024	For the 6-month period ended 30 June 2023	For the 6-month period ended 30 June 2024	For the 6-month period ended 30 June 2023
Potato processing	6,556	6,529	6,377	6,168
Agricultural crops combined with animal husbandry	-	-	-	-
Purchase and sales of property for own account	-	-	-	-
Total continuing operations	6,556	6,529	6,377	6,168

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25.5 Revenue by product

Product name	For the 6-month period ended 30 June 2024	For the 6-month period ended 30 June 2023
Starch	52,762	65,323
Protein	3,491	6,436
Glucose	4,956	7,885
Maltodextrin	15,667	14,318
Starch syrups	4,681	3,806
Dried potatoes (grits, flakes, cubes)	11,663	12,792
Goods and materials	20,146	10,426
Services	443	537
Total	113,809	121,523

25.6 Sales revenue by territorial structure

Item	For the 6-month period ended 30 June 2024	For the 6-month period ended 30 June 2023
Poland, including	77,892	91,177
Starch	33,521	46,345
Protein	1,800	2,652
Glucose	4,013	7,336
Maltodextrin	10,503	10,067
Starch syrups	4,681	3,806
Dried potatoes (grits, flakes, cubes)	8,820	11,731
Goods and materials	14,111	8,703
Services	443	537
EU countries - intra-Community deliveries, including:	11,720	8,267
Starch	3,858	3,142
Protein	706	1,722
Maltodextrin	3,446	1,989
Glucose	943	549
Dried potatoes (grits, flakes, cubes)	2,767	865
Other countries - export	24,197	22,079
Starch	15,178	15,837
Protein	985	2,062
Maltodextrin	1,923	2,262
Dried potatoes (grits, flakes, cubes)	177	196
Goods	5,934	1,722
Total	113,809	121,523

25.7 Information on major customers

The Group has no customer with sales revenue exceeding 10% of total revenue. In contrast, there are customers in the Parent's individual products' group that account for more than 10% of sales of a given product. This means that:

- more than 29% of maltodextrin was sold to two domestic business partners (15% and 14.5% respectively);

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- almost 26% of glucose was sold to two domestic business partners (14.3% and 11.5% respectively);
- almost 33% of protein was sold to two domestic business partners (16.7% and 16.1% respectively);

26. Information on paid (or declared) dividend, aggregate and per one share, separately for ordinary and preference shares

No dividends were paid during the six months ended 30 June 2024.

On 6 June 2024, the Ordinary General Meeting of “PEPEES” S.A. adopted Resolution No. 7 on the allocation of the Issuer’s net profit for the financial year 2023 in the amount of PLN 7,778 thousand to supplementary capital.

The Parent has not declared a dividend payment for 2023.

27. For financial instruments measured at fair value, information about a change in the method(s) used to determine it

During the six-month period ended 30 June 2024, the Group did not change its policies for determining the fair value of financial instruments. The same measurement principles and methods were followed as in the preparation of the Group’s consolidated financial statements for the year ended 31 December 2023.

28. Information on change in the classification of financial assets as a result of change in the purpose or utilisation of those assets

There were no changes in the classification of financial assets during the period presented as a result of a change in the purpose or use.

29. Information about changes in economic position and business conditions having significant impact on the fair value of the entity’s financial assets and financial liabilities, regardless of whether those assets and liabilities are recognised at fair value or adjusted purchase price (cost of manufacture)

In the opinion of many analysts 2023 was another year during which many unfavourable market trends converged. Markets face economic events arising from the effects of the outbreak of war in Ukraine and the period after the global pandemic. The military acts of the Russian aggressor and the sanctions imposed on Russia have resulted in a significant energy crisis in Europe, caused by the stoppage of supplies from the East (oil, gas, coal) which has resulted in changing fuel prices. To date, this has translated into higher prices for energy, transport services and, consequently, higher prices for all products and services on European markets.

In addition an agricultural market crisis broke out. EU decisions to suspend customs duties on agricultural products from Ukraine have caused perturbations in European agricultural markets. The influx of cereals from Ukraine combined with the drop of cereal prices on world markets has triggered a far-reaching crisis in Polish agriculture. Farms faced sales and liquidity problems. The difficult situation of agricultural producers has also affected the PEPEES Capital Group’s growers who are suppliers of raw material to the Group’s factories. The reorientation of agricultural producers towards cereal production over the last two years has not yielded the expected results, while the operation of rebuilding the position of starch potato production is encountering difficulties, especially in terms of obtaining seed potatoes and adequate technical facilities— agricultural machinery used in potato production and storage facilities.

With the Russian aggressor still not intending to withdraw its troops from Ukrainian territory there is a reasonable risk that all the unfavourable trends for the economy will continue in the second half of 2024.

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The Group companies continuously monitor the development of the armed conflict in Ukraine and the subsequent sanctions imposed on Russia, reviewing all information with a view to its impact on the Group's economic situation and taking ad hoc measures to minimise the consequences associated with these extraordinary circumstances.

30. Other information which could significantly affect evaluation of the economic and financial position and financial result of the Group

All events and information affecting the economic and financial position during the presented period are disclosed in this report.

The Group has no other information that could materially affect the assessment of its economic and financial position and financial result of the Group.

31. Significant events that occurred after the balance sheet date

On 12 July 2024, the Issuer's Supervisory Board, acting on the basis of Articles 11.1 and 11.2 of the Company's Articles of Association and Article 369 §1 of the Commercial Companies Code, appointed Mr. Wojciech Faszczewski as President of the Company's Management Board and Mr. Tomasz Rogala as Member of the Company's Management Board. Both persons have been appointed for a further term of office commencing 1 January 2025, as announced by the Issuer in current report No. 10/2024.

On 26 July 2024 the Court of Appeal in Białystok dismissed the appeal against the ruling of the District Court in Białystok, in which the District Court determined that EPSILON Fundusz Inwestycyjny Zamknięty Aktywów Niepublicznych, with its registered office in Warsaw, being a shareholder of the Company, has lost and cannot exercise voting rights from 21,402,233 ordinary bearer shares of the Company (cf. Current Report No. 13/2019 and 7/2023). This ruling is final, as the Issuer informed in current report No. 11/2024.

On 2 September 2024 the Issuer submitted an application to PKO Bank Polski S.A. for early repayment of the investment credit dated 12/12/20217 for the amount of PLN 10,530 thousand to finance and refinance the acquisition of 100% of shares in Gospodarstwo Rolne Ponary Sp. z o.o. The credit was repaid in full on 6 September 2024.

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32. Approval of the interim condensed consolidated financial statements

These Interim Condensed Consolidated Financial Statements of the PEPEES Capital Group for H1 ended 30 June 2023 were approved for publication by the Management Board of Przedsiębiorstwo Przemysłu Spożywczego “PEPEES” Spółka Akcyjna in Łomża on 20 September 2024.

SIGNATURES OF ALL MEMBERS OF THE MANAGEMENT BOARD OF THE PARENT

President of the Management Board – Wojciech Faszczewski