



CONSOLIDATED QUARTERLY REPORT OF THE PEPEES CAPITAL GROUP

for Q1 ended on 31 March 2025

PEPEES CAPITAL GROUP
Consolidated Quarterly Report
for the period of 3 months ended on 31 March 2025 (data
in thousands, PLN)

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INTRODUCTION

1. The Consolidated Quarterly Report of the PEPEES Capital Group for Q1 ended on 31 March 2025 includes:

- A. Selected financial results of the PEPEES Capital Group.
- B. Interim condensed consolidated financial statements of the PEPEES Capital Group for the period of 3 months ended on 31 March 2025.
- C. Interim condensed financial statements of Przedsiębiorstwo Przemysłu Spożywczego "PEPEES" Spółka Akcyjna in Łomża for the period of 3 months ended on 31 March 2025.
- D. Additional information.
- E. Management Board's Statement on the consistency and reliability of the preparation of the interim condensed consolidated financial statements of the PEPEES Capital Group and the interim condensed financial statements of Przedsiębiorstwo Przemysłu Spożywczego "PEPEES" Spółka Akcyjna in Łomża.

2. Period included in the statements and comparable data:

Interim condensed consolidated financial statements

- The interim condensed consolidated financial statements of the PEPEES Capital Group include the following periods: three months ended on 31 March 2025 and three months ended on 31 March 2024.
- For the data presented in the interim condensed consolidated statement of financial situation, comparable financial data was presented as of 31 December 2024 and as of 31 March 2024.
- For the data presented in the interim condensed consolidated statement of profit or loss and other comprehensive income, comparable financial data is presented for the period from 1 January 2024 to 31 March 2024.
- For the data presented in the interim condensed consolidated statement of changes in equity and the interim condensed consolidated cash flow statement, comparable financial data was presented for the period from 1 January 2024 to 31 March 2024.

The interim condensed financial statements of Przedsiębiorstwo Przemysłu Spożywczego "PEPEES" Spółka Akcyjna in Łomża

- The interim condensed financial statements of Przedsiębiorstwo Przemysłu Spożywczego "PEPEES" Spółka Akcyjna in Łomża include the following period: three months ended on 31 March 2025 and three months ended on 31 March 2024.
- For the data presented in the interim condensed statement of financial situation, comparable financial data was presented as of 31 December 2024 and 31 March 2024.
- For the data presented in the interim condensed statement of profit or loss and other comprehensive income, comparable financial data is presented for the period from 1 January 2024 to 31 March 2024.
- For the data presented in the interim condensed statement of changes in equity and the interim condensed cash flow statement, comparable financial data was presented for the period from 1 January 2024 to 31 March 2024.

3. Explanation of terms used in the organisation of the PEPEES Capital Group PEPEES

As of 31 March 2025, the PEPEES Capital Group included the following companies:

- Przedsiębiorstwo Przemysłu Spożywczego PEPEES Spółka Akcyjna, with its registered office in Łomża - Parent Company;
- Zakłady Przemysłu Ziemniaczanego "LUBLIN" Spółka z ograniczoną odpowiedzialnością, with its registered office in Lublin – a subsidiary;
- Pepees Inwestycje Spółka z ograniczoną odpowiedzialnością, with its registered office in Łomża – subsidiary;
- Przedsiębiorstwo Przemysłu Ziemniaczanego "BRONISŁAW" Spółka Akcyjna, with its registered office in Bronisław – a subsidiary;
- Gospodarstwo Rolne Ponary Spółka z ograniczoną odpowiedzialnością, with its registered office in Łomża - a subsidiary.

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A. SELECTED FINANCIAL DATA OF THE PEPEES CAPITAL GROUP

The PEPEES Capital Group's selected financial data for the period of 3 months ended on 31 March 2025 and 2024 presents itself as follows:

No.	SELECTED FINANCIAL DATA	IN THOUSANDS		IN THOUSANDS	
		2025	2024	2025	2024
I	Total revenues from sales for Q1	72,149	52,431	17,241	12,134
II	Net profit or loss allocated to the shareholders of the Parent Company for Q1	564	(4,053)	135	(938)
III	Net cash flows on operating activity for Q1	29,783	15,855	7,117	3,669
IV	Net cash flows on investment for the 1st	(1,615)	(2,849)	(386)	(659)
V.	Net cash flows on financial activity for Q1	(49,301)	(32,644)	(11,781)	(7,555)
VI	Total net cash flows for Q1	(21,133)	(19,638)	(5,050)	(4,545)
VII	Total assets as at 31.03.2025 and 31.12.2024	314,443	356,969	75,155	83,541
VIII	Equity allocated to the shareholders of the Parent Company as of 31.03.2025 and	165,546	164,784	39,567	38,564
IX	Total profit (loss) per one ordinary share for Q1 in PLN/EUR	0.01	(0.05)	0.00	(0.01)
X	Book value per share as of 31.03.2025 and 31.12.2024 in PLN/EUR	1.74	1.73	0.42	0.41

Data presented in lines: VII, VIII and X, in columns "2025" and "2024" is as of as of 31 March 2025 and 31 December 2024.

Selected financial data was converted into EUR according to the following exchange rates published by the National Bank of Poland:

- selected items of the statement of financial situation as of 31.03.2025 according to the mean exchange rate applicable on the balance sheet date equal to EUR 1 = PLN 4.1839,
- selected items of the statement of financial situation as of 31.12.2024 according to the mean exchange rate applicable on the balance sheet date equal to EUR 1 = PLN 4.2730,
- selected items of the statement of comprehensive income and cash flow statement for the period from 1 January 2025 to 31 March 2025 according to the rate which is the arithmetic mean of the average rates published by the National Bank of Poland and applicable on the last day of each month of Q1 of 2025 and amounts to EUR 1 = PLN 4.1848,
- selected items of the statement of comprehensive income and cash flow statement for the period from 1 January 2024 to 31 March 2024 according to the rate which is the arithmetic mean of the average rates published by the National Bank of Poland and applicable on the last day of each month of Q1 of 2024 and amounts to EUR 1 = PLN 4.3211.

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Profit (loss) per share for the three months ended on 31 March 2025 and 2024 is shown in the table below:

Specification	For the period of 3 months ended on	For the period of 3 months ended on
Net profit (loss) attributable to PEPEES shareholders	564	(4,053)
Weighted average number of shares	95,000,000	95,000,000
Basic net profit (loss) per share (in PLN per one share)	0.01	(0.04)
Net profit (loss) attributable to PEPEES shareholders, as used for the determination of diluted profit per share	564	(4,053)
Weighted average number of ordinary shares for the purpose of diluted profit	95,000,000	95,000,000
Diluted net profit (loss) per share (in PLN per one share)	0.01	(0.04)
Net annualised profit attributable to PEPEES shareholders	(10,084)	(4,249)
Weighted average number of shares	95,000,000	95,000,000
Annualised net profit per share (expressed in PLN per share)	(0.11)	(0.04)

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**B. INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF
THE PEPEES CAPITAL GROUP FOR THE PERIOD OF 3 MONTHS
ENDED ON 31 MARCH 2025**

presented below, comprising:

1. Interim condensed consolidated statement of financial situation
2. Interim condensed consolidated statement of profit and loss and other comprehensive income.
3. Interim condensed consolidated statement of changes in equity.
4. Interim condensed consolidated cash flow statement.
5. Additional explanatory notes.

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INTERIM CONDENSE CONSOLIDATED STATEMENTS
OF THE FINANCIAL SITUATION

No.	ASSETS	State as of 31 March 2025	State as of 31 December 2024	State as of 31 March 2024
A.	(Long-term) fixed assets	176,290	176,232	181,048
1	Plant, property and equipment	157,158	157,089	160,473
2	Intangible assets	120	125	150
3	Rights to assets	11,628	11,659	12,774
4	Investment properties	541	543	551
5	Goodwill	1,320	1,320	1,320
6	Investments in other entities	642	642	713
7	Deferred income tax assets	4,881	4,854	5,067
B.	(Short-term) current assets	138,153	180,737	157,088
1	Stock	67,224	98,819	86,073
2	Biological assets	626	134	306
3	Trade receivables and other short-term receivables	41,150	30,893	35,205
4	Current income tax receivables	1,035	1,051	-
5	Other financial assets	10,139	10,728	10,410
6	Cash and cash equivalents	17,979	39,112	25,094
	Total assets	314,443	356,969	338,136

No.	LIABILITIES	State as of 31 March 2025	State as of of 31 December	State as of 31 March 2024
A.	Equity	167,815	166,943	177,082
I	Equity allocated to the shareholders of the	165,546	164,784	174,517
1	Share capital	5,700	5,700	5,700
2	Share premium	7,562	7,562	7,562
3	Treasury shares	(1,016)	(1,032)	(1,388)
4	Revaluation capital	31,002	31,002	30,985
5	Retained earnings	122,298	121,552	131,658
II	Non-controlling shares	2,269	2,159	2,565
B.	Liabilities	146,628	190,026	161,054
I.	Long-term liabilities	37,599	39,490	36,928
1	Loans and borrowings	13,758	14,774	14,363
2	Liabilities due to assets under lease	12,459	13,120	11,715
3	Deferred income tax provision	6,276	6,462	5,441
4	Liabilities related to retirement benefits and similar ones	3,382	3,382	3,574
5	Subsidies	1,724	1,752	1,835
II.	Short-term liabilities	109,029	150,536	124,126
1	Trade and other short-term liabilities	23,259	20,146	20,693
2	Current income tax liabilities	-	-	2,643
3	Loans and borrowings	81,837	126,179	96,234
4	Liabilities due to assets under lease	3,333	3,611	4,073
5	Liabilities related to retirement benefits and similar ones	600	600	483
	Total liabilities	314,443	356,969	338,136

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INTERIM CONDENSE CONSOLIDATED STATEMENTS
OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

No.	Specification	For the period of 3 months ended on	For the period of 3 months ended on
I	Revenues from sales	72,149	52,431
II	Own cost of sales	(54,831)	(43,476)
III	Gross profit from sales (I-II)	17,318	8,955
1	Costs of sales and marketing	(3,143)	(2,615)
2	Overheads	(10,689)	(9,470)
3	Other operating revenue	382	855
4	Other operating costs	(273)	(106)
IV	Profit (loss) on operating activities	3,595	(2,381)
1	Financial costs	(2,969)	(2,424)
2	Financial revenue	265	490
V.	Profit (loss) before tax	891	(4,315)
	Income tax	(217)	(157)
VI	Net profit (loss) on continued operations	674	(4,472)
	Net profit (loss) on discontinued activities	-	-
	Net profit (loss), including:	674	(4,472)
	- allocated to the shareholders of the parent company	564	(4,053)
	- allocated to non-controlling interests	110	(419)
VII	Other comprehensive income		
VIII	Total comprehensive income, including	674	(4,472)
	- allocated to the shareholders of the parent company	564	(4,053)
	- allocated to non-controlling interests	110	(419)
IX	Net profit (loss) per 1 ordinary share	0.01	(0.05)
	- on continued operations	0.01	(0.05)
	- on discontinued operations	0.00	0.00
IX	Diluted profit (loss) per 1 ordinary share	0.01	(0.05)
	- on continued operations	0.01	(0.05)
	- on discontinued operations	0.00	0.00

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INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY

Specification	Share capital	Capital from sale of shares above face value	Treasury shares	Revaluation capital	Retained earnings	Total equity attributable to shareholders of the Parent Company	Non-controlling shares	Total equity
State as of 1 January 2024	5,700	7,562	(1,424)	30,985	134,489	177,312	2,984	180,296
Changes in Q1 2024	-	-	36	-	(2,831)	(2,795)	(419)	(3,214)
Net profit (loss)	-	-	-	-	(4,053)	(4,053)	(419)	(4,472)
Comprehensive income				-	(4,053)	(4,053)	(419)	(4,472)
Valuation of own shares to market value			36			36		36
Other consolidation adjustments					1,222	1,222		1,222
State as of 31 March 2024	5,700	7,562	(1,388)	30,985	131,658	174,517	2,565	177,082
State as of 1 January 2024	5,700	7,562	(1,424)	30,985	134,489	177,312	2,984	180,296
Changes in the period from 01.01.2024 to 31.03.2024	-	-	392	17	(12,937)	(12,528)	(825)	(13,353)
Net profit (loss)	-	-			(14,701)	(14,701)	(825)	(15,526)
Other comprehensive income	-	-	-	17		17	-	17
Comprehensive income	-	-	-	17	(14,701)	(14,684)	(825)	(15,509)
Dividend	-	-	-	-				
Other consolidation adjustments	-	-	392	-	1,764	2,156		2,156
State as of 31 December 2024	5,700	7,562	(1,032)	31,002	121,552	164,784	2,159	166,943
State as of 1 January 2025	5,700	7,562	(1,032)	31,002	121,552	164,784	2,159	166,943
Changes in Q1 2025	-	-	16	-	746	762	110	872
Net profit (loss)					564	564	110	674
Comprehensive income					564	564	110	674
Valuation of own shares to market value			16			16		16
Other consolidation adjustments					182	182		182
State as of 31 March 2025	5,700	7,562	(1,016)	31,002	122,298	165,546	2,269	167,815

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**INTERIM
STATEMENT**
CONDENSED
CONSOLIDATED
CASH FLOW

Indirect method	For the period of 3 months ended on 31 March 2025	For the period of 3 months ended on 31 March 2024
A. Cash flows on operating activities		
I. Profit (loss) before taxes	891	(4,315)
II. Total adjustments	28,892	20,170
1. Depreciation	2,657	3,267
2. (Profit) loss from exchange differences	175	267
3. Interests and share in profit (dividends)	2,288	2,692
4. (Profit) loss on investment activities	(86)	(271)
5. Change in provisions	(16)	92
6. Change in the volume of stock	31,595	23,777
7. Change in the volume of biological assets	(492)	(272)
8. Change in the volume of receivables	(9,981)	(4,173)
9. Change in the volume of short-term liabilities except for borrowings and loans	3,290	(4,630)
10. Change in advances	(434)	(31)
11. Paid income tax	(256)	(859)
12. Change in subsidies	(24)	(29)
13. Change in the amount of interest accrued on borrowings and	(45)	(160)
14. Change in other financial assets	-	(32)
15. Change in rights to assets	221	530
16. Other adjustments	-	2
III. Net cash flows on operating activities (I+/-II)	29,783	15,855
B. Cash flows on financial activities		
I. Receipts	828	420
1. Disposal of intangible assets and property, plant and equipment	194	409
2. Repayment of borrowings	634	11
II. Expenditures	2,443	3,269
1. Acquisition of intangible assets and property, plant and equipment	2,443	3,234
2. Borrowings granted	-	35
III. Cash flows on financial activities	(1,615)	(2,849)
C. Cash flows on financial activities		
I. Receipts	511	4,917
1. Loans and borrowings	-	2,849
2. Subsidies	511	2,068
II. Expenditure	49,812	37,561
1. Repayment of loans and borrowings	46,611	33,735
2. Interest on loans and borrowings	2,189	2,346
3. Interest and fees from factoring agreements	1	-
4. Payments under lease agreements	1,011	1,480
III. Net cash flows on financial activities (I-II)	(49,301)	(32,644)
D. Total net cash flows (A.III+/-B.III+/-C.III)	(21,133)	(19,638)
E. Opening balance of cash	39,112	44,732
F. Closing balance of cash (E+/- D)	17,979	25,094
including of restricted use	-	-

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ADDITIONAL EXPLANATORY NOTES

1. General information on the Parent Company

Full name:	Przedsiębiorstwo Przemysłu Spożywczego "PEPEES" S.A.
Address of the registered office:	18-402 Łomża, ul. Poznańska 121
REGON ID:	450096365
NIP ID:	718-10-05-512
Registration body:	District Court in Białystok, 12th Commercial Division of the National Court Register
Number in the register:	000038455
Legal form:	Public Limited Company (Spółka Akcyjna)
Organisational form:	enterprise consisting of one plant
Main objects of the operations according to the divisions of the Polish Classification of Business Activities:	1062Z manufacturing starch and starch products.
Industry:	food
Duration:	indefinite

Members of the Management Board as of 31 March 2025:

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

Members of the Supervisory Board as of 31 March 2025:

Maciej Kaliński	Chairperson of the Supervisory Board
Robert Malinowski	Deputy Chairperson 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

Members of the Audit Committee as of 31 December 2025:

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

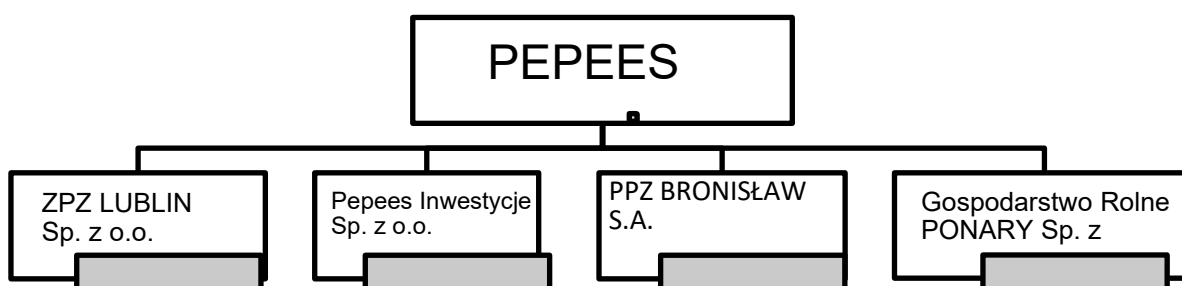
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2. Information on reporting periods

The presented interim consolidated financial statements include the period from 1 January 2025 to 31 March 2025, while comparable financial data and explanatory notes include the period from 1 January 2024 to 31 March 2024 and additionally as of 31 December 2024 in case of the statement of financial situation and statement of changes in equity.

3. Structure of the PEPEES Capital Group

3.1. Structure of the PEPEES Capital Group as of 31 March 2025



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

In the Consolidated Quarterly Report of the PEPEES Capital Group for Q1 ended on 31 March 2025, aside from Przedsiębiorstwo Przemysłu Spożywczego "PEPEES" S.A., the following related parties were subject to consolidation:

Name	Registered office	Objects	Registration Court	Issuer's share in capital	Share in the total number
ZPZ LUBLIN Sp. z o.o.	Lublin	Production and sales of syrup and dried potatoes, processing of fruits 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 sale of real properties on own account	District Court in Białystok 12th Commercial Division of the National Court Register	100	100
PPZ BRONISŁAW S.A.	Bronisław	Production of starch 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	Rental and management of real estate and agricultural crops combined with farming and animal breeding	District Court in Białystok 12th Commercial Division	100	100

All subsidiaries were subject to consolidation based on the full method.

During the reporting period and until the preparation date hereof, there were no changes in the structure of the Issuer's Capital Group.

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3.3. Basic financial information on related parties as of 31 March 2025

Specification	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 of 31.03.2025	22,76	10,61	45	30
Fixed assets as of 31.03.2025	41,12	5,753	21,28	-
Short-term liabilities as of 31.03.2025	42,45	9,816	102	-
Long-term liabilities as of 31.03.2025	12,31	1,890	4,354	-
Revenues from sales	25,59	6,029	-	-
Financial result on continued activities	678	11	(5)	(1)
Net financial result on discontinued activities	-	-	-	-
Other comprehensive income	-	-	-	-
Total comprehensive income	678	11	(5)	(1)

3.4. Grounds underlying the interim condensed consolidated financial statements

These interim condensed consolidated financial statements were prepared in compliance with the International Financial Reporting Standards ("IFRS"), and in particular the International Accounting Standard No. 34 and the IFRS approved by the EU.

These interim condensed consolidated financial statements are presented in Polish złoty ("PLN"), and all amounts are specified in thousands of PLN, unless indicated otherwise.

These interim condensed consolidated financial statements were prepared with the going concern assumption as regards the Group's business operations in the foreseeable future. As of the approval date of these interim condensed consolidated financial statements, the Management Board of Przedsiębiorstwo Przemysłu Spożywczego "PEPEES" S.A. did not observe any circumstances that could indicate the threat for the Group's continued operations as a going concern.

The interim condensed consolidated financial statements do not include all the information requisite for annual consolidated financial statements and should be considered in conjunction with the consolidated financial statements for the fiscal year ended on 31 December 2024.

4. Approval of the interim condensed consolidated financial statements

These interim condensed consolidated financial statements were approved for publication by the Management Board of the Parent Company on 23 May 2025.

5. Significant accounting principles (policy)

The accounting policies applied in the preparation of these 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 on 31 December 2024. The Group has not opted for an early application of any standard, interpretation or amendment that has been published but has not yet become effective under the legal provisions of the European Union.

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6. Non-recurring items with a significant effect on assets, liabilities, capital, financial result and cash flows

There are no unusual items herein that have a significant impact on assets, liabilities and capital.

7. Amendments of applied accounting principles, correction of errors and presentation

The Group did not change its accounting policies or correct any errors of previous years during the reporting period.

8. Explanations related to the seasonality or cyclicity of activities

The Group operates in the "potato processing" sector. Potatoes are purchased and processed in the autumn for 3 months, while the sale of finished products lasts all year round.

9. Estimated values

During the reporting period, the Group did not test non-current assets for impairment as there was no indication thereof.

Revaluation write-offs of receivables were updated in the amount taking into account the level of risk related to failure to receive payments from recipients.

Provisions for retirement benefits and anniversary awards were established on the basis of actuarial calculations as of 31.12.2024.

The revaluation of provisions for unused holidays was made on the basis of expected salaries of employees combined with mark-ups charged to the employer for holidays unused as of 31.03.2025.

The Group recognises deferred income tax assets, assuming that the tax profit will be generated in the future, from which the assets could be used.

Every year, the Group verifies adopted useful lives of fixed assets and intangible assets. The last update occurred as of 31 December 2024.

10. Acquisition and sale of property, plant and equipment

In the period of Q1 2025, the Group purchased fixed assets for PLN 2,443 thousand. For the most part, the said purchases concerned the modernisation of production machinery and equipment and a continued investment to build a facility for the production of starch modifiers.

In the period of Q1 2025, the Group sold fixed assets for PLN 194 thousand.

11. Material commitments for the purchase of fixed assets

In the period of Q1 of 2025, no loan agreements were entered into for the purchase of fixed assets.

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12. Stock

STOCK	State as of 31 March 2025	State as of 31 December	State as of 31 March 2024
a) materials	5,427	5,311	5,180
b) semi-finished products and work in progress	1,137	839	973
c) finished products	50,354	84,969	64,743
d) goods	10,356	7,792	16,173
Gross value of stock	67,274	98,911	87,069
Revaluation write-offs	(50)	(92)	(996)
Net value of stock	67,224	98,819	86,073

Value of stock recognised as cost in the reporting period amounted to PLN 53,946 thousand (Q1 2024 – PLN 40,932 thousand).

13. Biological assets

Plant assets	State as of 31 March 2025	State as of 31 December 2024	State as of 31 March 2023
Winter wheat	299	58	98
Winter rape	327	76	204
Peas	-	-	4
Total	626	134	306

Biological assets were presented in the statement at fair value.

Since March 2014, "PEPEES" S.A. has leased an agricultural farm (Roje) where seeds of annual plants were planted. Towards the end of 2024 the Issuer has terminated the lease of agricultural land in Krzekoty and Wrzosey. Costs related to the purchase of seeds and growing them in Q1 2025 amount to PLN 689 thousand, whereas revenues from agricultural activities reached the value of PLN 40 thousand.

As of 31.03.2025, aside from the biological assets indicated above, the Roje farm had stocks of peas with a total value of PLN 37 thousand and stock of goods (fertilisers and plant protection products) with a total value of PLN 149 thousand.

14. Trade receivables

TRADE RECEIVABLES (GROSS) – WITH TIME REMAINING PERIOD OF PAYMENT AFTER THE BALANCE SHEET DATE:	State as of 31 March 2025	State as of 31 December 2024	State as of 31 March 2024
a) up to 1 month	11,745	4,940	8,745
b) above 1 month and up to 3 months	10,380	13,616	10,294
c) above 3 months and up to 6 months	6,103	3	3,506
d) above 6 months up to 1 year	305	282	143
e) above 1 year	-	9	-
f) past due receivables	4,306	3,949	4,171
Total (gross) trade receivables	32,839	22,799	26,859
- revaluation write-offs of trade receivables	(792)	(815)	(794)
Total (net) trade receivables	32,047	21,984	26,065

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Trade receivables are recorded and indicated according to initially invoiced amounts, including impairment write-offs.

An impairment write-off of trade receivables is established in case of objective evidence that the Group will not be capable of receiving all amounts due, resulting from initial terms and conditions of receivables. Revaluation write-offs of receivables are charged to the other operating costs.

Write-offs are made on the basis of the adopted model of expected loan losses, i.e. an age analysis of receivables, a collectability analysis and liabilities from referrals to court, liquidation or bankruptcy proceedings.

Expected loan loss model	Probability of insolvency (amount of an estimated write-off)
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%
Insolvent receivables, of which:	
receivables in arrangement proceedings (judicial, bank)	100%
receivables subject to litigation	100%
receivables from debtors who have gone into liquidation or bankruptcy	100%
receivables from debtors whose bankruptcy petition has been dismissed	100%
receivables not yet due with a significant degree of probability of irrecoverability	100%

15. Trade liabilities

LIABILITIES	State as of 31 March 2025	State as of 31 December	State as of 31 March 2024
- trade liabilities falling due:	15,837	12,902	11,371
- up to 12 months	15,837	12,902	11,371
- overdue more than 180 days	-	-	-

16. Settlements resulting from litigations

On 25.06.2019. The Management Board of Przedsiębiorstwo Przemysłu Spożywczego "PEPEES" S.A. ("PEPEES" or "Company") brought an action to the court of law, asking to have a decision issued whether the Company's shareholder of EPSILON Fundusz Inwestycyjny Zamknięty Aktywów Niepublicznych in Warsaw ("EPSILON"), holding – pursuant to information known to the Company as the action was brought – 27,714,832 shares, due to the breach of the notification obligation related to the purchase of significant packages of shares in compliance with Article 89(1)(1) of the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies, lost and could not exercise the voting rights from 21,402,233 shares. EPSILON claimed otherwise, maintaining that it was entitled to vote in relation to 27,714,832 shares accounting for 29.17% of the total number of votes at the AGM. The case was joined by the District Public Prosecutor's Office in Piłkórk Trybunałski. The Company informed about the issue in current report no. 13/2019.

On 21.04.2023, the District Court in Białystok issued a ruling establishing that EPSILON, which is the Company's shareholder, lost and could not exercise the voting rights from 21,402,233 ordinary

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bearer shares, which the Issuer relayed in current report no. 7/2023. The above judgement was appealed against by EPSILON. On 26.07.2024, the Court of Appeal in Białystok dismissed the appeal, finally and non-revisably confirming that EPSILON Fundusz, with its registered office in Warsaw, which is the Company's shareholder, lost and could not exercise the voting rights from 21,402,233 ordinary bearer shares in the Company. This ruling is final and non-revisable. The Company informed about this judgement in current report no. 11/2024. EPSILON filed a cassation appeal against the judgement of the Court of Appeal in Białystok. PEPEES filed a reply to the cassation appeal. The cassation appeal has not yet been heard by the Supreme Court.

As at the date hereof, there are pending cases brought by EPSILON against PEPEES:

- for revoking or rendering invalid resolution no. 28 of the Annual General Meeting adopted on 28.06.2019, on amendments to the Articles of Association and authorisation of the Company's Management Board to raise the share capital of the Company as part of the authorised capital and with the option to exclude the pre-emptive right of the current shareholders of the Company in whole or in part upon the consent of the Company's Supervisory Board. The case was joined by the District Public Prosecutor's Office in Piotrków Trybunalski. The litigation is pending before the Court of First Instance (file ref.: VII GC 253/19). The Regional Court suspended the proceedings until the proceedings in the suit brought by PEPEES against EPSILON for determining the loss of the voting rights have been concluded in a final and non-revisable manner. On 25.09.2024, the District Court in Białystok resumed the suspended proceedings and summoned the parties to take a position, which PEPEES did on 15 October 2024. On 29.04.2025, a hearing was held at which the Court heard the positions of the parties once more. The next hearing date was scheduled for 28.10.2025, for which the court summoned the plaintiff's witnesses. At the hearing on 28.10.2025, the court will decide whether to admit the expert opinion of a finance and economics expert into evidence;
- to annul or declare invalid resolutions nos. 24-27 and 29 of the Annual General Meeting adopted on 28.06.2019 on amendments to the Articles of Association of the Company. The case was joined by the District Public Prosecutor's Office in Piotrków Trybunalski. The litigation is pending before the Court of First Instance (file ref.: VII GC 329/19). The Regional Court suspended the proceedings until the proceedings in the suit brought by PEPEES against EPSILON for determining the loss of the voting rights have been concluded in a final and non-revisable manner. On 23.09.2024, the Regional Court in Białystok resumed the suspended proceedings. By order served on 12.11.2024, the Court invited the parties to take a position within twenty one (21) days, i.e. by 03.12.2024, which PEPEES did on 03.12.2024. The Court scheduled a hearing date for 22.05.2025;
- to annul or declare invalid resolutions nos. 9 and 10 of the Annual General Meeting adopted on 21.04.2020 on the acknowledgement of fulfilment of obligations of the Members of the Company's Management Board. The litigation is pending before the Court of First Instance (file ref.: VII GC 168/20). The case was joined by the District Public Prosecutor's Office in Piotrków Trybunalski. The Regional Court suspended the proceedings until the proceedings in the suit brought by PEPEES against EPSILON for determining the loss of the voting rights have been concluded in a final and non-revisable manner. On 01.10.2024, the Regional Court in Białystok resumed the suspended proceedings. On 24.10.2024, the District Court summoned EPSILON to take a position in the case within twenty one (21) days, which EPSILON did on 19.11.2024. Subsequently, PEPEES also submitted its position on 23.12.2024. On 30.04.2025, a hearing was held during which the Court heard the positions of the parties once more. The next hearing date was scheduled for 25.06.2025, for which the court summoned the plaintiff's witnesses and the parties for the purpose of

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hearing them;

- for revoking or rendering invalid four resolutions of the Annual General Meeting adopted on 29 June 2021, 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 appropriation of the Company's net profit for the financial year of 2020, and resolutions no. 10 and 11 on the acknowledgement of fulfilment of obligations by the Company's Management Board Members. The litigation is pending before the Court of First Instance (file ref.: VII GC 267/21). On 11 January 2022, the Regional Court suspended the proceedings until the final conclusion of the proceedings brought by PEPEES against EPSILON for the determination of the loss of the voting rights. On 27.09.2024, the District Court in Białystok resumed the suspended proceedings and summoned the parties to take a position, which the Company did on 15 October 2024. On 12.05.2025, the court sent lists of questions to the witnesses submitted by the plaintiff. The trial date has not yet been scheduled;
- for revoking or rendering invalid nine resolutions of the Annual General Meeting adopted on 14 April 2022 on: consideration and approval of the Company's financial statements for the period from 01.01.2021 to 31.12.2021, consolidated report, report on the Company's activities, appropriation of the Company's net profit for the financial year of 2021, acknowledgement of fulfilment of obligations by the Company's Management Board Members, appointment of two (2) Supervisory Board Members, purchase of treasury shares and establishment of reserve capital. The litigation is pending before the Court of First Instance (file ref.: VII GC 150/22). The case was joined by the District Public Prosecutor's Office in Piotrków Trybunalski. The Regional Court suspended the proceedings until the proceedings in the suit brought by PEPEES against EPSILON for determining the loss of the voting rights have been concluded in a final and non-revisable manner. On 16.09.2024, the Regional Court in Białystok resumed the suspended proceedings. By order served on the Company on 14.11.2024, the Court summoned the parties to take a position, which PEPEES did on 05.12.2024. On 15.05.2025, a hearing was held at which the Court heard the positions of the parties once more. Thereafter, the court ordered the plaintiff's attorney to file a preparatory letter within fourteen (14) days to indicate the facts relevant to the substantive determination of the case about which the witnesses proposed by the plaintiff were to testify, and the Company's attorneys to respond to this letter also within fourteen (14) days. The Court then adjourned the hearing until 25.09.2025 in order to continue the evidence proceedings or to conclude the proceedings, depending on the decision of the Court after the fulfilment of the undertaking by the parties' attorneys;
- for revoking or rendering invalid three resolutions adopted on 25 May 2023 by the Annual General Meeting, i.e. resolutions 9 and 10 on the discharge of the members of the Company's Management Board and resolution 11 on the discharge of the Chairperson of the Supervisory Board. The litigation is pending before the Court of First Instance (file ref.: VII GC 256/23). The Regional Court suspended the proceedings until the proceedings in the suit brought by PEPEES against EPSILON for determining the loss of the voting rights have been concluded in a final and non-revisable manner. On 30.09.2024, the Regional Court in Białystok resumed the suspended proceedings and requested the parties to take the position, which PEPEES did on 31.10.2024. On 29.04.2025, a hearing was held at which the court heard the parties' positions once more; thereafter, the court closed the hearing and scheduled the date for the judgement announcement for 29.05.2025.

Within the remaining scope, there are no other significant litigations or proceedings in court, arbitration body or public administration authority with respect to liabilities or receivables of the Issuer or its subsidiaries.

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17. Outstanding loans and borrowings

As of the balance sheet date, there are bank loans listed in the following tables, which are repaid according to their maturity dates. Borrowings among the Group companies have been excluded from the consolidated financial statements.

Long-term and short-term liabilities

No.	Type of loan/borrowing	Borrower (loan)/ (borrowing)	Loan/Bor r owing amount under the	Currency	Outstanding loan /borrowin g to be repaid	Currency	Interest rate	Maturity date
1	Borrowing for the purchase of a Deutz Fahr 9340 agricultural tractor	Pepees	924	PLN	437	PLN	Fixed interest rate	13.12.2026
2	Borrowing for the purchase of a Deutz Fahr 8280 agricultural tractor	Pepees	793	PLN	409	PLN	Fixed interest rate	13.03.2027
3	Borrowing to purchase a Trans-Space 7500 clamshell trailer	Pepees	289	PLN	101	PLN	Fixed interest rate	15.06.2026
4	Investment loan for financing and refinancing investments in a starch modification production line	Pepees	14,938 (Loan in the original amount of EUR 3.5 million, currency conversion to PLN)	PLN	14,289	PLN	Base rate WIBOR 1M plus the Bank's margin	30.09.2030
5	Investment loan for the modernisation of a starch dryer and construction of a protein recovery facility	Bronisław	8,456	PLN	2,584	PLN	1-M WIBOR interest rate for deposits plus the Bank's margin	31.12.2027
6	Loan on the current account	Pepees	4,000	PLN	-	PLN	1 month WIBOR+bank's margin	31.08.2025
7	Working capital loan	Pepees	36,500	PLN	22,812	PLN	1-month WIBOR+ the	31.08.2025
8	Loan on the current account	Pepees	4,000	PLN	-	PLN	1 month WIBOR+the bank's margin	31.08.2025
9	Working capital loan	Pepees	36,500	PLN	22,813	PLN	1-month WIBOR+ the	31.08.2025
10	Borrowing for the purchase of a Fendt 942 Vario Gen7 agricultural tractor ProfiPlus	Pepees	1,260	PLN	521	PLN	Fixed interest rate	20.10.2025
11	Loan on the current account	Pepees	1,000	EUR	228	EUR	1 month EURIBOR+the	04.12.2025
12	Working capital loan	Lublin	6,500	PLN	4,063	PLN	1-month WIBOR+ the	31.08.2025
13	Working capital loan	Lublin	6,500	PLN	4,062	PLN	1-month WIBOR+ the	31.08.2025
14	Loan on the current account	Lublin	2,000	PLN	-	PLN	1-month WIBOR+ the	31.08.2025
15	Loan on the current account	Lublin	2,000	PLN	-	PLN	1-month WIBOR+ the	31.08.2025

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No.	Type of loan/borrowing	Borrower (loan)/ (borrowing)	Loan/Borrowing amount under the agreeme	Currency	Outstanding loan /borrowing to be repaid	Currency	Interest rate	Maturity repaid
16	Loan on the current account	Bronisław	700	PLN	-	PLN	1-month WIBOR+ the	31.08.2025
17	Working capital loan	Bronisław	17,800	PLN	11,125	PLN	1-month WIBOR+ the	31.08.2025
18	Loan on the current account	Bronisław	700	PLN	299	PLN	1-month WIBOR+ the	31.08.2025
19	Working capital loan	Bronisław	17,800	PLN	11,125	PLN	1-month WIBOR+ the	31.08.2025
Loans in PLN			161,660	PLN	94,641			
Loans in EUR			1,000	EUR	228			
Total after conversion to PLN			165,844	PLN	95,595			
Long-term liability					13,758			
Short-term liability					81,837			

In the reporting period, no provisions of the loan agreements were breached. All the loans are repaid in accordance with the schedules specified in the agreements.

18. Transactions with related entities

18.1 Issuer's transactions with related entities

a) Revenues from sales of products and goods

Types of revenues	For the period of 3 months ended on 31 March 2025	For the period of 3 months ended on 31 March 2024
Revenues from the sales of products to subsidiaries	292	208
Revenues from sales of goods to subsidiaries	-	192
Revenues from the sales of services	87	81
Total revenues from related entities	379	481

The sale price is determined on the basis of the "cost plus" method or price lists applicable to unrelated entities

b) Purchases of goods and services

Types of purchases	For the period of 3 months ended on 31 March 2025	For the period of 3 months ended on 31 March 2025
Purchases of products from subsidiaries	7,506	6,926
Purchases of services from subsidiaries	-	54
Purchases of fixed assets from subsidiaries	-	-
Total purchases from related entities	7,506	6,980

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c) Other transactions

Specification	For the period of 3 months ended on 31 March 2025	For the period of 3 months ended on 31 March 2024
Interest on borrowings granted	168	144
Fees on sureties granted	63	31
Fees on sureties received	-	39
Total	231	214

d) Balances of settlements as of the balance sheet date generated as a result of the sale/purchase of goods/services

Settlements with subsidiaries	State as of 31 March 2025	State as of 31 December	State as of 31 March 2024
Należności – ZPZ Lublin Sp. z o.o.	-	-	-
Receivables – PPZ Bronisław S.A.	2,285	2,061	1,972
Receivables – GR PONARY Sp. z o.o.	-	1	1
Receivables – PEPEES Inwestycje Sp. z o.o.	-	2	3
Liabilities – ZPZ Lublin Sp. z o.o.	62	184	186
Liabilities – PPZ BRONISŁAW S.A.	-	55	67
Liabilities – GR PONARY	-	-	13
Balance of settlements with related parties	2,223	1,825	1,710

e) Balance of borrowing settlements

Borrowings granted to subsidiaries	State as of 31 March 2025	State as of 31 December	State as of 31 March 2024
PPZ BRONISŁAW S.A.	8,600	8,600	9,640
GR PONARY Sp. z o.o.	102	100	220
Borrowings granted	8,702	8,700	9,860

18.2 Issuer's transactions with shareholders

During the reported period, the Parent Company did not conduct any transactions with its shareholders.

18.3 Issuer's transactions with the key members of the management and supervisory bodies

a) Benefits for key managers (Management Board Members) and Supervisory Board Members

Specification	For the period of 3 months ended on 31 March 2025	For the period of 12 months ended on 31 December 2024	For the period of 3 months ended on 31 March 2024
Short-term employee benefits	503	2,437	775
Benefits after the employment period			
Benefits due to the termination of employment relationship			
Payments in the form of shares			
Total	503	2,437	775

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b) Transactions with key personnel and their close family members

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

19. Changes in estimates

a) Revaluation write-offs of receivables

CHANGE IN REVALUATION WRITE-OFFS OF SHORT- TERM RECEIVABLES	For the period of 3 months ended on 31 March 2025	For the period of 12 months ended on 31 December 2024	For the period of 3 months ended on 31 March 2024
Opening balance	815	773	773
a) increase (due to)	75	221	36
- establishment for bad debts related to supplies	75	213	-
- establishment for due interest	-	8	8
- establishment for receivables claimed in litigation	-	-	28
b) decrease (due to)	97	179	14
- dissolution of provisions due to payment	10	102	1
- cancellation	87	77	13
Closing balance of write-offs	793	815	795

b) Revaluation write-offs of stock

CHANGE IN REVALUATION WRITE-OFFS OF STOCK	For the period of 3 months ended on 31 March 2025	For the period of 12 months ended on 31 December 2024	For the period of 3 months ended on 31 March 2024
Opening balance	92	1,677	1,677
a) increase (due to)	-	439	-
- impairment revaluation write-offs of materials	-	439	-
b) decrease (due to)	42	2,024	681
- reversals of write-offs	42	2,024	681
Closing balance of revaluation write-offs of stock	50	92	996

c) Liabilities related to retirement benefits and similar ones

CHANGE IN LIABILITIES RELATED TO RETIREMENT BENEFITS AND SIMILAR ONES (BY TITLE)	For the period of 3 months ended on 31 March 2025	For the period of 12 months ended on 31 December 2024	For the period of 3 months ended on 31 March 2024
a) opening balance	3,982	4,057	4,057
- retirement benefits	763	748	748
- jubilee awards	3,219	3,309	3,309
b) increase (due to)	-	661	-
- retirement benefits	-	135	-
- jubilee awards	-	526	-

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CHANGE IN LIABILITIES RELATED TO RETIREMENT BENEFITS AND SIMILAR ONES (BY TITLE)	For the period of 3 months ended on 31 March 2025	For the period of 12 months ended on 31 December 2024	For the period of 3 months ended on 31 March 2024
c) use (due to)	-	707	-
- retirement benefits	-	107	-
- jubilee awards	-	600	-
d) dissolution (due to)	-	29	-
- retirement benefits	-	13	-
- jubilee awards	-	16	-
d) closing balance	3,982	3,982	4,057
- retirement benefits	763	763	748
- jubilee awards	3,219	3,219	3,309

20. Short-term provisions

CHANGE IN SHORT-TERM PROVISIONS (BY TITLE)	For the period of 3 months ended on 31 March 2025	For the period of 12 months ended on 31 December 2024	For the period of 3 months ended on 31 March 2024
a) opening balance	1,333	1,358	1,358
- subsidies to plant, property and equipment	98	98	98
- provisions for benefits performed by	51	51	51
- fee for using the natural environment	80	65	65
- provisions for holiday remuneration	1,075	596	596
- bonuses for the Management Board and employees	29	548	548
b) increase (due to)	100	1,342	692
- fee for using the natural environment	22	98	15
- provisions for holiday remuneration	78	777	647
- provisions for benefits performed by counterparties	-	51	-
- bonuses for the Management Board and employees	-	416	30
c) use (due to)	129	1,367	583
- fee for using the natural environment	80	83	45
- provisions for holiday remuneration	-	298	-
- provision of benefits performed by	20	51	20
- bonuses for the Management Board and employees	29	935	518
d) dissolution (due to)	-	-	-
e) closing balance	1,304	1,333	1,467
- subsidies to plant, property and equipment	98	98	98
- fee for using the natural environment	22	80	35
- provisions for holiday remuneration	1,153	1,075	1,243
- bonuses for the Management Board and employees	-	29	60
- provisions for benefits performed by counterparties	31	51	31

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21. Deferred income tax

PROVISIONS DUE TO DEFERRED INCOME TAX	State as of 31 March 2025	State as of 31 December	State as of 31 March 2024
Difference between the balance sheet value and tax value of plant, property and equipment	5,020	5,139	4,205
Valuation of investments	1,251	1,251	1,109
Unrealised foreign exchange differences	5	11	127
Due interest not received	-	61	-
Total deferred income tax provisions	6,276	6,462	5,441

DEFERRED INCOME TAX ASSETS	State as of 31 March 2025	State as of 31 December	State as of 31 March 2024
Unpaid remuneration	211	215	180
Provision for unused holiday leaves	219	204	236
Retirement benefits and jubilee bonuses	758	757	771
Unrealised foreign exchange differences	80	47	79
Revaluation write-offs of receivables	21	23	20
Revaluation write-offs of stock	10	17	189
Revaluation write-offs of shares	18	18	18
Liabilities due in relation to the subject matter of lease	175	144	243
Consolidation adjustments – retained earnings	186	153	148
Provision for bonuses for the Management Board and employees	-	6	11
Valuation of assets	2,368	2,368	2,366
Tax loss	624	685	685
Other	211	217	121
Total	4,881	4,854	5,067

22. Off-balance sheet items

Item	State as of 31 March 2025	State as of 31 December 2024	State as of 31 March 2024
Off-balance sheet assets	-		
Guarantees received	-	-	-
Off-balance liabilities			
Mortgages on company assets	158,366	158,968	139,580
Pledge on assets	319,701	319,701	212,500
Loan surety	-	-	-
Assignment of receivables under insurance policy	366,575	367,377	370,986
Potential compensation as regards non-compete clauses	2,112	2,112	2,036
Disputed obligations	-	-	-

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

No issue and repayment of non-equity or equity securities occurred during the reporting period.

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24. Reporting on segments of the operations

24.1. Information about products and services

There are three segments within the PEPEES Group, that is "potato processing," "agricultural crops combined with animal breeding" and "buying and selling property on own account."

The PEPEES Capital Group operates mainly in the "potato processing" segment. In this segment, it manufactures:

- potato starch used by households and food, pharmaceutical, paper and textile industries,
- couple of selections of glucose used in the food, confectionery and pharmaceutical industries,
- maltodextrin that is an essential element of powder products (ice cream, sauces, soups, fruit extracts, flavoured toppings) and nutritional supplements and vitamin and mineral supplements for children and athletes.
- protein received from potato cell cytoplasm through coagulation, separation and drying; it is a valuable component of feed mixtures for animals and an excellent substitute of animal protein.
- wide range of starch syrups used in confectionery and bakery industries,
- potato grits, potato flakes, potato cubes and dumplings; products used by the food industry.

The other types of activities are related to:

- works and services,
- sale of selected goods and materials,
- growing and sales of annual plants.
- purchase and sales of real property on own account.

24.2 Revenues and results of the segments

	Revenues		Profit	
	For the period of 3 months ended on 31 March 2025	For the period of 3 months ended on	For the period of 3 months ended on	For the period of 3 months ended on
Potato processing	72,149	52,431	3,486	(3,130)
Total revenues from sales	72,149	52,431		
Other operating revenue			382	855
Other operating costs			(273)	(106)
Financial revenue			265	490
Financial costs			(2,969)	(2,424)
Profit (loss) before tax			891	(4,315)

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24.3 Assets and liabilities of the segments

Assets of the segments	State as of 31 March 2025	State as of 31 December 2024	State as of 31 March 2024
Potato processing	308,536	351,220	332,955
Agricultural production combined with animal breeding	5,877	5,716	5,135
Purchase and sale of real properties on own account	30	33	46
Total assets of segments	314,443	356,969	338,136

Liabilities of the segments	State as of 31 March 2025	State as of 31 December 2024	State as of 31 March 2024
Potato processing	146,628	190,026	161,051
Agricultural production combined with animal breeding	-	-	3
Purchase and sales of real properties on own account	-	-	-
Total liabilities of the segments	146,628	190,026	161,054

All assets and liabilities of Gospodarstwo Rolne Ponary are allocated to the "agricultural production combined with animal breeding" segment, all assets and liabilities of Pepees Inwestycje Sp. z o.o. are allocated to the segment of "purchase and sale of real property on own account", while the "potato processing" segment includes all other assets and liabilities disclosed in the consolidated financial statements.

Due to the fact, that in 2025 Ponary and Pepees Inwestycje did not generate any revenues from sales, the segment of "agricultural production combined with animal breeding" and "purchase and sale of real property on own account" were not separated in revenues and results of the segments. Because of the value of land owned by Ponary, the segment of these operations was separated in these financial statements only for the purpose of presenting the assets and liabilities.

24.4 Other information on the segments

Segment	Depreciation		Increase in non-current assets	
	For the period of 3 months ended on 31 March 2025	For the period of 3 months ended on 31 March 2024	For the period of 3 months ended on	For the period of 3 months ended on 31 March 2024
Potato processing	2,657	3,267	2,443	3,234
Agricultural production combined with animal	-	-	-	-
Purchase and sales of real properties on own account	-	-	-	-
Total activities continued	2,657	3,267	2,443	3,234

24.5 Revenues by products

Product name	For the period of 3 months ended on 31 March 2025	For the period of 3 months ended on 31 March 2024
Starch	34,579	29,557
Protein	2,806	1,760
Glucose	2,622	2,780
Maltodextrin	9,055	7,934
Starch syrups	2,175	2,252
Dried potatoes (grits, flakes, cubes)	8,659	5,337
Goods and materials	11,978	2,612
Services	275	199
Total	72,149	52,431

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24.6 Revenues from sales according to the geographical structure

Specification	For the period of 3 months ended on 31 March 2025	For the period of 3 months ended on 31 March 2024
Poland, including	48,523	36,977
Starch	20,701	21,912
Protein	1,644	768
Glucose	2,134	2,155
Maltodextrin	5,281	5,244
Starch syrups	2,175	2,252
Dried potatoes (grits, flakes, cubes)	6,720	4,271
Goods and materials	9,593	176
Services	275	199
EU states – intra-Community supplies, including:	7,847	5,079
Starch	2,904	1,144
Protein	370	425
Maltodextrin	2,146	1,718
Glucose	488	625
Dried potatoes (grits, flakes, cubes)	1,758	1,066
Goods	181	101
Other countries – exports	15,779	10,375
Starch	10,974	6,501
Protein	792	567
Maltodextrin	1,628	972
Dried potatoes (grits, flakes, cubes)	181	-
Goods	2,204	2,335
Total	72,149	52,431

24.7 Information about key customers

The Group has no customer whose revenues from sales exceed 10% of total revenues.

25. Information on paid (or declared) dividend, in total and per one share, with specification concerning ordinary and preferential shares

The Capital Group Companies did not pay dividends during the three months ended on 31 March 2025.

26. In the case of financial instruments measured at fair value – information on changing the method of its determination

During the period of 3 months ended on 31 March 2025, the Group did not change the principles for determining the fair value of financial instruments. The same valuation principles and methods were followed as in the preparation of the Group's consolidated financial statements for the year ended on 31 December 2024.

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27. Information on change in the classification of financial assets as a result of changed purpose or use thereof

During the period presented, there were no changes in the classification of financial assets as a result of changed purpose or use.

28. Information on changes in economic conditions and operating conditions having a significant impact on the fair value of the entity's financial assets and financial liabilities, regardless of whether those assets and liabilities are recorded at fair value or adjusted price of purchase (production cost)

In the opinion of many analysts, the past 2024 was another year during which multiple unfavourable market trends converged. The markets are confronted with economic events due to the effects of the outbreak of war in Ukraine and the period after the global pandemic. Hopes for bringing an end to the armed conflict across our eastern border are not reflected in reality. The military actions of the Russian aggressor and the sanctions imposed on Russia triggered a significant energy crisis in Europe, contributed to by the stoppage of supplies from the East (oil, gas, coal), affecting the fluctuation of fuel prices. To date, this has resulted in higher energy prices, transport services and, consistently, higher prices for all products and services on the European markets.

Furthermore, there was a crisis in the agricultural market. The EU decisions to suspend tariffs on agricultural products from Ukraine caused disturbance in the European agricultural markets. The inflow of cereals from Ukraine, together with the fall in cereal prices on the world markets, triggered a far-reaching crisis in Polish agriculture. The Polish farms faced problems with sales and liquidity. The difficult situation of agricultural producers has also affected PEPEES Capital Group growers, who are suppliers of raw material to the Group's factories. In 2024, a return of farmers to starch potato production was observed. Unluckily, it is difficult to rebuild starch potato production in the short term – especially when it comes to obtaining seed potatoes and the sufficient technical facilities – agricultural machinery used in potato production and storage facilities. The foregoing results from the orientation of agricultural producers towards cereal production in the past two years at the expense of potato production. Seed potato companies have significantly increased seed potato prices and reduced the supply of seed potatoes to the market over the past two years; there should be time for producers to rebuild their ranges of products on offer.

In 2025, Poland and the world will face a number of economic risks, including but not limited to: inflation, debt, armed conflict, risk of the US withholding aid to Ukraine, US tariff increases and retaliatory tariffs, extreme weather events and disinformation. The continued uncertainty leads to fluctuations in exchange rates, interest rates and large fluctuations in prices of raw materials, materials and the Company's products. Therefore, there is a reasonable risk that all the unfavourable trends for the economy will persist in 2025.

The management boards of the respective companies of the PEPEES Capital Group regularly verify all information from the perspective of its impact on the economic situation of the Group and undertake ad-hoc activities to minimise consequences related to these extraordinary circumstances.

29. Other information which may significantly affect the assessment of the economic and financial situation, and financial result of the Group

During the presented period, all events and information affecting the asset and financial situation have been disclosed herein.

The Group does not have any other information which may significantly affect the assessment of the economic and financial situation, and financial result of the Group.

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30. Important events which occurred after the balance sheet date

On 2 April 2025, the Supervisory Board of ZPZ Lublin Sp. z o.o. decided to dismiss Mr Tomasz Rojecki from the position of a member of the management board.

On 2 April 2025, the Supervisory Board of PPZ Bronisław S.A. decided to dismiss Mr Roman Minierski from the position of a member of the management board.

On 13 May 2025, PEPEES entered into an agreement with BNP Paribas Bank Polska S.A. for an investment loan to finance and refinance the investment into a starch modification production line, under which agreement the Company undertook to complete the investment covered by the loan by 30 May 2025.

On 15 May 2025, the Issuer entered into an addendum to the reverse factoring agreement with PKO Faktoring

S.A. for financing supplies. The financing limit was increased and set at PLN 6,500 thousand. The limit is valid until 7 October 2025.

On 20 May 2025, the Issuer published a notice convening the Annual General Meeting for 16 June 2025 at 12.00 pm, at the Company's registered office (the notice was published with draft resolutions).

Aside from the foregoing, there were no significant events post the balance sheet date.

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**C. INTERIM CONDENSED FINANCIAL STATEMENTS OF
PRZEDSIĘBIORSTWO PRZEMYSŁU SPOŻYWCZYCHCZEGO "PEPEES"
SPÓŁKA AKCYJNA FOR THE PERIOD OF 3 MONTHS ENDED ON 31
MARCH 2025**

presented below, comprising:

1. Interim condensed statement of financial situation
2. Interim condensed statement of profit and loss and other comprehensive income.
3. Interim condensed statement of changes in equity.
4. Interim condensed cash flow statement.
5. Additional explanatory notes.

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INTERIM CONDENSED STATEMENT OF FINANCIAL SITUATION

	ASSETS	State as of 31 March 2025	State as of 31 December	State as of 31 March 2024
A	(Long-term) fixed assets	134 566	134 508	138 752
1.	Plant, property and equipment	94 440	94 154	96 450
2.	Intangible assets	118	122	144
3.	Rights to assets	13 555	13 776	15 368
4.	Investment properties	341	343	351
5.	Investments in subsidiaries	23 586	23 586	23 586
6.	Investments in other entities	642	642	713
7.	Deferred income tax assets	1,884	1 885	2 140
B	(Short-term) current assets	116 825	139 043	132 544
1.	Stock	47 061	62 592	59 503
2.	Biological assets	626	134	306
3.	Trade receivables and other short-term receivables	34 467	25 439	31 681
4.	Current income tax receivables	1 033	1 048	
5.	Other financial assets	18 841	19 748	20 302
6.	Cash and cash equivalents	14 797	30 082	20 752
	Total assets	251 391	273 551	271 296

	LIABILITIES	State as of 31 March 2025	State as of 31 December	State as of 31 March 2025
A	Equity	152 284	152 134	160 277
1.	Share capital	5 700	5 700	5 700
2.	Share premium	7 562	7 562	7 562
3.	Treasury shares	(1,015)	(1 032)	(1 388)
4.	Revaluation capital	30 482	30 482	30 465
5.	Retained earnings	109 555	109 422	117 938
B	Liabilities	99 107	121 417	111 019
I	Long-term liabilities	31 397	32 706	30 529
1.	Loans and borrowings	12 114	12 895	11 701
2.	Liabilities due to assets under lease	9 306	9 634	9 583
3.	Deferred income tax provision	5 634	5 810	4 745
4.	Liabilities related to retirement benefits and similar ones	2 735	2 735	2 795
5.	Subsidies	1 608	1 632	1 705
II	Short-term liabilities	67 710	88 711	80 490
1.	Trade and other short-term liabilities	14 804	9 110	14 458
2.	Current income tax liabilities	-	-	2 640
3.	Loans and borrowings	50 223	76 639	60 339
4.	Liabilities due to assets under lease	2 284	2 563	2 649
5.	Liabilities related to retirement benefits and similar ones	399	399	404
	Total liabilities	251 391	273 551	271 296

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INTERIM CONDENSED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

No.	Specification	For the period of 3 months ended on 31 March 2025	For the period of 3 months ended on 31 March 2024
I	Revenues from sales	48 409	41,805
II	Own cost of sales	(36 923)	(35 033)
III	Gross profit (loss) on sales (I-II)	11 486	6,772
1.	Costs of sales and marketing	(2 350)	(2 190)
2.	Overheads	(7 406)	(6 499)
3.	Other operating revenue	243	821
4.	Other operating costs	(149)	(23)
IV	Profit (loss) on operating activities	1 824	(1 119)
1.	Financial costs	(2 063)	(1 538)
2.	Financial revenue	468	695
V.	Profit (loss) before tax	229	(1 962)
VI	Income tax	(96)	(132)
VII	Net profit (loss)	133	(2 094)
VIII	Other comprehensive income	-	-
1.	Results of the measurement of financial assets available for	-	-
2.	Reassessment of liabilities under employee benefits	-	-
IX	Total comprehensive income, including	133	(2 094)
X	Net profit (loss) per 1 share	0.001	(0.022)

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INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY

Specification	Share capital	Capital from sale of shares above face value	Treasury shares	Share from revaluation	Retained earnings	Total equity
State as of 1 January 2024	5,700	7,562	(1,424)	30,465	120,032	162,335
Changes in Q1 2024	-	-	36	-	(2,094)	(2,058)
Net profit (loss) for the period					(2,094)	(2,094)
Valuation of own shares to market value			36			36
State as of 31 March 2024	5,700	7,562	(1,388)	30,465	117,938	160,277
Changes in 2024	-	-	392	17	(10,610)	(10,201)
Net profit (loss)	-		-	-	(10,610)	(10,610)
Profit dividend 2023						
Dividend from supplementary capital						
Purchase of treasury shares			-			
Valuation of own shares to market value			392			392
Other comprehensive income	-		-	17		17
Comprehensive income				17	(10,610)	(10,593)
State as of 31 December 2024	5,700	7,562	(1,032)	30,482	109,422	152,134
State as of 1 January 2025	5,700	7,562	(1,032)	30,482	109,422	152,134
Changes in Q1 2025	-	-	17	-	133	150
Net profit (loss)	-				133	133
Valuation of own shares to market value			17			17
Comprehensive income	-	-	-	-	133	133
State as of 31 March 2025	5,700	7,562	(1,015)	30,482	109,555	152,284

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INTERIM CONDENSED CASH FLOW STATEMENT

No.	Cash flow statement	For the period of 3 months ended on 31 March 2025	For the period of 3 months ended on 31 March 2024
A.	Cash flows on operating activities – indirect method		
I	Profit (loss) before tax	229	(1,962)
II	Total adjustments	15,182	7,976
1.	Depreciation	2,314	2,912
2.	Foreign exchange (gains) losses	85	233
3.	Interest and shares in profit (dividend)	1,268	1,430
4.	(Profit) loss on investment activities	(86)	(271)
6.	Change in stock	15,531	12,799
7.	Change in biological assets	(492)	(272)
8.	Change in receivables	(9,028)	(6,490)
9.	Changes in short-term liabilities, except for loans and borrowings	5,694	(1,821)
11.	Paid income tax	(256)	(857)
12.	Change in subsidies	(24)	(25)
13.	Change in the amount of interest accrued on borrowings and commissions	(45)	(160)
14.	Change in other financial assets	-	(32)
15.	Change in rights to assets	221	530
16.	Other adjustments	-	-
III	Net cash flows on operating activities	15,411	6,014
B.	Cash flows on investing activities		
I	Receipts	967	424
1.	Disposal of intangible and legal assets and property, plant and equipment	194	409
2.	Repayment of borrowings granted	773	15
II	Expenditure	2,287	5,709
1.	Purchase of intangible and legal assets and property, plant and equipment	2,287	3,234
2.	Borrowings granted	-	2,475
III	Net cash flows on investing activities	(1,320)	(5,285)
C.	Cash flows on financial activities		
I	Receipts	511	3,908
1.	Loans and borrowings	-	1,840
2.	Surcharges received	511	2,068
II	Expenditure	29,887	21,759
1.	Repayment of loans and borrowings	28,151	19,322
2.	Interest on loans and borrowings	1,268	1,430
3.	Interest and fees from factoring agreements	1	-
4.	Payments under lease agreements	467	1,007
III	Net cash flows on financial activities (I-II)	(29,376)	(17,851)
D.	Total net cash flows (A.III+/-B.III+/-C.III)	(15,285)	(17,122)
E.	Balance sheet change of cash	(15,285)	(17,122)
F.	Opening balance of cash	30,082	37,874
G.	Closing balance of cash (F+/-D)	14,797	20,752
	- including of restricted use	-	-

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ADDITIONAL EXPLANATORY NOTES

1. Accounting principles

Data for the interim condensed financial statements for the period of 3 months ended on 31 March 2025 have been prepared according to the same accounting policies as in the most recent annual financial statements.

2. Amendments of the accounting principles, presentation and correction of errors

Przedsiębiorstwo Przemysłu Spożywczego "PEPEES" S.A. did not change its principles of accounting and correcting errors of the previous periods.

3. Information on contingent liabilities or assets

a) Contingent assets

Przedsiębiorstwo Przemysłu Spożywczego "PEPEES" S.A. holds the perpetual usufruct right for 493,591 m² of land. The Company pays an annual fee of 3% of the value of said land according to the decisions received setting the annual fee. The fee for 2025 was PLN 712 thousand (2024 was PLN 614 thousand).

Until 31 December 2018, the Company treated the held perpetual usufruct right to land as the operational leasing, recording related fees as the profit or loss of the period referred to. Beginning from 1 January 2019, the perpetual usufruct right to land was qualified by the Company as the lease agreement in compliance with IFRS 16. An asset under the right of use is presented in the annual statement of the financial situation in line "Rights to assets."

b) Contingent liabilities

In prior periods, the Company granted a surety for the loan granted by BOŚ S.A. to its affiliate PPZ "Bronisław" S.A. up to the amount of PLN 12.684 thousand.

There may be obligations under post-employment non-compete agreements. Such agreements are entered into with Members of the Management Board and several employees. In case the employment relationship is terminated with them, the Company is obliged to pay compensation amounting to approximately PLN 1.461 thousand.

4. Information on transactions with related entities

a) Transactions by and between "PEPEES" S.A. in Łomża and ZPZ "LUBLIN" Sp. z o.o. in Lublin

In the reporting period, the Issuer bought starch for the amount of PLN 399.2 thousand from the subsidiary. Additionally, "PEPEES" S.A. sold to ZPZ "LUBLIN" Sp. z o.o. starch at the value of PLN 93.2 thousand and a service consisting in the lease of a flake production line – the rent on this account for 3 months of lease in 2025 amounted to as much as PLN 70.7 thousand. The sale price is determined on the basis of "cost- plus" method or based on price lists applicable to unrelated entities.

As of the balance sheet date, there is a balance of liabilities of PLN 62.1 thousand.

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b) Transactions by and between "PEPEES" S.A. in Łomża and PPZ "BRONISŁAW" S.A.

During the reporting period, the Parent Company purchased potato starch from its subsidiary PPZ "BRONISŁAW" S.A. for the amount of PLN 7107.7 thousand. The Issuer sold potato starch to an affiliated company in the amount of PLN 198.6 thousand and provided the following services: vehicle rental and storage for the amount of PLN 12.4 thousand. Additionally, in the first quarter, the Parent Company charged PPZ "BRONISŁAW" surety fees in the amount of PLN 62.6 thousand and interest on the borrowing in the amount of PLN 166.1 thousand.

As at the balance sheet date, there is an outstanding balance on the borrowing of PLN 8600 thousand and receivables on account of deliveries in the amount of PLN 2284.8 thousand.

c) Transactions by and between "PEPEES" S.A. in Łomża and Gospodarstwo Rolne Ponary Sp. z o.o.

PEPEES" S.A. sold services to its subsidiary GR Ponary Sp. z o.o. in the amount of PLN 2.6 thousand. Furthermore, in the first quarter, the Parent Company charged the subsidiary interest on a borrowing in the amount of PLN 1.9 thousand.

The outstanding amount of the borrowing as of the balance sheet date was PLN 102 thousand.

d) Transactions by and between "PEPEES" S.A. in Łomża and Pepees Inwestycje Sp. z o.o.

During the reporting period, "PEPEES" S.A. provided services to Pepees in the amount of 1 thousand PLN. The balance of trade receivables on the balance sheet date is PLN 0.4 thousand.

5. Information on guarantees and sureties granted

During the reporting period, PEPEES did not grant any sureties or guarantees. As of the balance sheet date, there is a surety for a loan up to the amount of PLN 12,684 thousand granted to PPZ "BRONISŁAW" S.A.

There may be obligations under post-employment non-compete agreements. Such agreements are with members of the management board and several employees. In case of terminating the employment relationship with them, the Company is obliged to pay compensation amounting to approximately PLN 1461 thousand.

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D. MISCELLANEOUS INFORMATION

1. Changes in the organisation of the PEPEES Capital Group

During the reporting period, there were no material changes in the organisation of the PEPEES Capital Group.

2. Summary of operations during the reporting period

In the period of Q1 of 2025 the PEPEES Capital Group achieved sales revenue of 72149 thousand PLN, which represents a 37.61% increase when compared to the revenue in the same period last year (PLN 52431 thousand).

Costs of sales amounted to PLN 54831 thousand and increased by 26.12% compared to costs for Q1 2024. In consequence, the gross sales result, amounting to PLN 17318 thousand, increased by 93.39% when compared to the same period of the previous year.

Sales and marketing costs In the period of Q1 2025 increased by 20.19% in relation to the comparative period, and overheads increased by 12,87%.

The balance of other operating activities in the period of three months of 2025 closed on the order of PLN 109 thousand against a result of PLN 749 thousand in the comparative period.

Therefore, the operating result closed with a profit of PLN 3595 thousand for the first quarter of 2025, against an operating loss of PLN 2381 thousand in the same period of the previous year.

In turn, the result of financial activities construed as the balance of financial revenues minus financial costs in January-March 2025 decreased as compared to the analogous item in the comparative period due to high negative exchange rate differences (PLN 502 thousand) and lower cash funds accumulated in bank deposits and, consistently, lower financial income from interest. In the current year, the result on financial operations closed with the loss of PLN 2704 thousand, compared to the loss on financial activities of PLN 1934 thousand last year.

The pre-tax profit achieved after the first quarter of 2025 amounted to PLN 891 thousand with a pre-tax loss of PLN 4,315 thousand. The net profit achieved in January-March 2025 amounted to PLN 674 thousand against a net loss of PLN 4472 thousand incurred in the corresponding period of 2024.

3. Information on the shareholding structure

The shareholding structure at the balance sheet date, 31 March 2025, presented itself as follows:

SHAREHOLDING	Number of shares [pcs.]	Share in capital %	Number of votes	Share in the total number of shares at the AGM %
Epsilon Fundusz Inwestycyjny Zamknięty Aktywów Niepublicznych*	27,759,032	29.22%	6,356,799	6.69%
Michał Skotnicki**	21,443,105	22.57%	21,443,105	22.57%
Maksymilian Maciej Skotnicki**	20,423,531	21.50%	20,423,531	21.50%
Other	25,374,332	26.71%	25,374,332	26.71%

* Due to the failure to fulfil the reporting obligation on the purchase of a significant package of shares, according to the Polish Act of 29 July 2005 on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading and on Public Companies, EPSILON Fundusz Inwestycyjny Zamknięty Aktywów Niepublicznych, holding – pursuant to the information known to the Company – 27,759,032 shares of the Company, lost and could not exercise the voting rights from 21,402,233 shares. Therefore, the Company's Management Board brought an action to the Regional Court in Białystok to decide on the issue. EPSILON Fundusz Inwestycyjny Zamknięty Aktywów Niepublicznych claims otherwise, maintaining that is entitled to vote in relation to 27,759,032 shares accounting for 29.22% of the total number of votes at the AGM. The case was joined by j number of votes at the AGM. The case was joined by the District Public Prosecutor's Office in Piotrków Trybunalski. The Company informed about the issue in current report no 13/2019. On 21 April 2023, the District Court in Białystok has issued a ruling establishing that EPSILON Fundusz Inwestycyjny Zamknięty Aktywów Niepublicznych, with its registered office in Warsaw, lost and could not exercise the voting rights from 21,402,233 ordinary bearer shares, as which the Issuer relayed in current report no. 7/2023. On 26.07.2024, the Court of Appeal in

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Białystok dismissed the appeal of EPSILON Fundusz Inwestycyjny Zamknięty Aktywów Niepublicznych, with its registered office in Warsaw, from the aforementioned judgment of the Regional Court in Białystok, which was finally and non-revisably confirmed, that EPSILON Fundusz Inwestycyjny Zamknięty Aktywów Niepublicznych, with its registered office in Warsaw, being the Company's shareholder, lost and could not exercise the voting rights from 21,402,233 ordinary bearer shares of the Company. This ruling is final and non-revisable. The Company informed about this in current report no. 11/2024.

** Maksymilian Maciej Skotnicki and Michał Skotnicki are persons referred to in Article 87(4)(1) of the Polish Act of 29 July 2005 on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading and on Public Companies; therefore, the total shareholding of the aforementioned individuals comprises 41,866,636 shares, which accounts for 44.07% share in share capital and 56.89% of the number of entitled votes in the Company (taking into account the loss of the voting rights by EPSILON Fundusz Inwestycyjny Zamknięty Aktywów Niepublicznych).

As of the date of the approval of this periodical report, the structure of the Company's shareholding presented itself as follows:

SHAREHOLDING	Number of shares [pcs.]	Share in capital %	Number of votes	Share in the total number of shares at the AGM %
William Richardson through Marconia Enterprises Limited, Perła-Browary Lubelskie S.A. (including through Epsilon Fundusz Inwestycyjny Zamknięty Aktywów Niepublicznych, which holds shares in its own name but on behalf of Perła-Browary Lubelskie S.A.) and New Fastinvest Spółka Akcyjna Spółka Komandytowa*	27,759,032	29.22%	0	0.00%
Michał Skotnicki**	21,443,105	22.57	21,443,10	22.57%
Maksymilian Maciej Skotnicki**	20,423,531	21.50	20,423,53	21.50%
Other	25,374,332	26.71	25,374,33	26.71%

* According to the latest (which, however, is not final and non-revisable) decision of the Financial Supervision Authority of 11 October 2024, mark: DPS- DPSZPO.4560.41.2024.MZ - Perła-Browary Lubelskie S.A. (i.e. the parent entity in relation to New Fastinvest spółka akcyjna spółka komandytowa) held shares in the Company together with an entity holding shares in its own name but on behalf of Perła-Browary Lubelskie S.A., pursuant to Article 87(1)(3)(a) of the Polish Act of 29 July 2005 on Conditions Governing the Introduction of Financial Instruments to Organised Trading and on Public Companies (this entity was Epsilon Fundusz Inwestycyjny Zamknięty Aktywów Niepublicznych, which currently holds 850,000 shares in the Company, representing 0.89% of the share capital).

Due to the failure to fulfil the reporting obligation on the purchase of a significant package of shares, according to the Polish Act of 29 July 2005 on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading and on Public Companies, by Perła-Browary Lubelskie S.A., holding directly or indirectly 27,759,032 shares in the Company, Perła-Browary Lubelskie S.A. lost and could not exercise the voting rights from 27,759,032 shares in the Company. The sale of 26,909,032 shares in the Company by Epsilon Fundusz Inwestycyjny Zamknięty Aktywów Niepublicznych on 8 May 2025 to a subsidiary of Perła-Browary Lubelskie S.A., i.e. New Fastinvest spółka akcyjna spółka komandytowa – does not remedy this breach.

** Mr Maksymilian Maciej Skotnicki and Michał Skotnicki are persons referred to in Article 87(4)(1) of the Polish Act of 29 July 2005 on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading and on Public Companies, and therefore the total shareholding of the aforementioned persons comprises 41,866,636 shares, representing 44.07% of the share capital and total number of votes.

4. Specification of changes in the Issuer's shares or rights to shares held by the members of the Issuer's management and supervisory bodies

Wojciech Faszczewski, acting as the Company's Management Board President, holds 701,000 shares in the Company. The aforementioned person has no rights to shares in the Company.

Tomasz Rogala and persons supervising the Company do not hold any shares in the Company or rights thereto. During the period from the publication date of the previous periodic statements, i.e. 21 March 2025, to the publication date hereof, the managing and supervising persons did not make any transactions as regards the Company's shares or rights thereto.

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5. Brief description of significant achievements or failures of PEPEES Capital Group in the period of Q1 of 2025 with a list of the most important events related to them

In the period of Q1 2025, the PEPEES Capital Group had no significant achievements or failures referred to herein.

6. Description of factors and events, especially unusual ones, which significantly affected the financial results of the PEPEES Capital Group

The Russian Federation's invasion of Ukraine and the response to these military actions also have an indirect impact on the PEPEES Group's results. Another indirect effect of the conflict is a significant increase in inflation and interest rates, which has resulted in a significant increase in costs. The PEPEES Group made a profit in Q1 2025 despite the above factors.

The Group does not market goods manufactured or imported and does not use raw materials and materials from Russia or Belarus; therefore, the Issuer's Management Board does not identify any risk due to the impact of the armed conflict on the disruption of the production process or on the sale of products in Poland and other European countries.

7. Management Board's opinion as regards the forecast results

The Parent Company's Management Board did not publish forecasts of separate or consolidated results for 2025.

8. Indication of significant litigations, pending proceedings before an arbitration or administrative body

On 25.06.2019, the Management Board of Przedsiębiorstwo Przemysłu Spożywczego "PEPEES" S.A. ("PEPEES" or "Company") brought an action to the court of law, asking to have a decision issued whether the Company's shareholder of EPSILON Fundusz Inwestycyjny Zamknięty Aktywów Niepublicznych in Warsaw ("EPSILON"), holding – pursuant to information known to the Company as the action was brought – 27,714,832 shares, due to the breach of the notification obligation related to the purchase of significant packages of shares in compliance with Article 89(1)(1) of the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies, lost and could not exercise the voting rights from 21,402,233 shares. EPSILON claimed otherwise, maintaining that it was entitled to vote with 27,714,832 shares representing 29.17% of the total number of votes at the AGM. The case was joined by the District Public Prosecutor's Office in Piotrków Trybunalski. The Company informed about the issue in current report no 13/2019.

On 21.04.2023, the District Court in Białystok issued a ruling establishing that EPSILON, which is the Company's shareholder, lost and could not exercise the voting rights from 21,402,233 ordinary bearer shares, which the Issuer relayed in current report no. 7/2023. The above judgement was appealed against by EPSILON. On 26.07.2024, the Court of Appeal in Białystok dismissed the appeal, finally and non-revisably confirming that EPSILON Fundusz, with its registered office in Warsaw, which is the Company's shareholder, lost and could not exercise the voting rights from 21,402,233 ordinary bearer shares in the Company. This ruling is final and non-revisable. The Company informed about this judgement in current report no. 11/2024. EPSILON filed a cassation appeal against the judgement of the Court of Appeal in Białystok. PEPEES filed a reply to the cassation appeal. The cassation appeal has not yet been heard by the Supreme Court.

As of the date hereof, the case filed by EPSILON v PEPEES:

- for revoking or rendering invalid resolution no. 28 of the Annual General Meeting adopted on 28.06.2019, on amendments to the Articles of Association and authorisation of the Company's Management Board to raise the share capital of the Company as part of the authorised capital and with the option to exclude the pre-emptive right of the current

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shareholders of the Company in whole or in part upon the consent of the Company's Supervisory Board. The case was joined by the District Public Prosecutor's Office in Piotrków Trybunalski. The litigation is pending before the Court of First Instance (file ref.: VII GC 253/19). The Regional Court suspended the proceedings until the proceedings in the suit brought by PEPEES against EPSILON for determining the loss of the voting rights have been concluded in a final and non-revisable manner. On 25.09.2024, the District Court in Białystok resumed the suspended proceedings and summoned the parties to take a position, which PEPEES did on 15 October 2024. On 29.04.2025, a hearing was held at which the Court heard the positions of the parties once more. The next hearing date was scheduled for 28.10.2025, for which the court summoned the plaintiff's witnesses. At the hearing on 28.10.2025, the court will decide whether to admit the expert opinion of a finance and economics expert into evidence;

- to annul or declare invalid resolutions nos. 24-27 and 29 of the Annual General Meeting adopted on 28.06.2019 on amendments to the Articles of Association of the Company. The case was joined by the District Public Prosecutor's Office in Piotrków Trybunalski. The litigation is pending before the Court of First Instance (file ref.: VII GC 329/19). The Regional Court suspended the proceedings until the proceedings in the suit brought by PEPEES against EPSILON for determining the loss of the voting rights have been concluded in a final and non-revisable manner. On 23.09.2024, the Regional Court in Białystok resumed the suspended proceedings. By order served on 12.11.2024, the Court invited the parties to take a position within twenty one (21) days, i.e. by 03.12.2024, which PEPEES did on 03.12.2024. The Court scheduled a hearing date for 22.05.2025;
- to annul or declare invalid resolutions nos. 9 and 10 of the Annual General Meeting adopted on 21.04.2020 on the acknowledgement of fulfilment of obligations by the Members of the Company's Management Board. The litigation is pending before the Court of First Instance (file ref.: VII GC 168/20). The case was joined by the District Public Prosecutor's Office in Piotrków Trybunalski. The Regional Court suspended the proceedings until the proceedings in the suit brought by PEPEES against EPSILON for determining the loss of the voting rights have been concluded in a final and non-revisable manner. On 01.10.2024, the Regional Court in Białystok resumed the suspended proceedings. On 24.10.2024, the District Court summoned EPSILON to take a position in the case within twenty one (21) days, which EPSILON did on 19.11.2024. Subsequently, PEPEES also submitted its position on 23.12.2024. On 30.04.2025, a hearing was held during which the Court heard the positions of the parties once more. The next hearing date was scheduled for 25.06.2025, for which the court summoned the plaintiff's witnesses and the parties for the purpose of hearing them;
- for revoking or rendering invalid four resolutions of the Annual General Meeting adopted on 29 June 2021, 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 appropriation of the Company's net profit for the financial year of 2020, and resolutions no. 10 and 11 on the acknowledgement of fulfilment of obligations by the Company's Management Board Members. The litigation is pending before the Court of First Instance (file ref.: VII GC 267/21). On 11 January 2022, the Regional Court suspended the proceedings until the proceedings in the suit brought by PEPEES against EPSILON for the determination of the loss of the voting rights have been concluded in a final and non-revisable manner. On 27.09.2024, the District Court in Białystok resumed the suspended proceedings and summoned the parties to take a position, which the Company did on 15.10.2024. On 12.05.2025, the court sent lists of questions to the witnesses submitted by the plaintiff. The trial date has not yet been scheduled;
- for revoking or rendering invalid nine resolutions of the Annual General Meeting adopted on 14 April 2022 on: consideration and approval of the Company's financial statements for the period from 01.01.2021 to 31.12.2021, consolidated report, report on the Company's activities, appropriation of the Company's net profit for the financial year of 2021, acknowledgement of fulfilment of obligations by the Company's Management Board Members, appointment of two (2) Supervisory Board Members, purchase of treasury shares

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and establishment of reserve capital. The litigation is pending before the Court of First Instance (file ref.: VII GC 150/22). The case was joined by the District Public Prosecutor's Office in Piotrków Trybunalski. The Regional Court suspended the proceedings until the proceedings in the suit brought by PEPEES against EPSILON for determining the loss of the voting rights have been concluded in a final and non-revisable manner. On 16.09.2024, the Regional Court in Białystok resumed the suspended proceedings. By order served on the Company on 14.11.2024, the Court summoned the parties to take a position, which PEPEES did on 05.12.2024. On 15.05.2025, a hearing was held at which the Court heard the positions of the parties once more. Thereafter, the court ordered the plaintiff's attorney to file a preparatory letter within fourteen (14) days to indicate the facts relevant to the substantive determination of the case about which the witnesses proposed by the plaintiff were to testify, and the Company's attorneys to respond to this letter also within fourteen (14) days. The Court then adjourned the hearing until 25.09.2025 in order to continue the evidence proceedings or to conclude the proceedings, depending on the decision of the Court after the fulfilment of the undertaking by the parties' attorneys;

- for revoking or rendering invalid three resolutions adopted on 25 May 2023 by the Annual General Meeting, i.e. resolutions 9 and 10 on the discharge of the members of the Company's Management Board and resolution 11 on the discharge of the Chairperson of the Supervisory Board. The litigation is pending before the Court of First Instance (file ref.: VII GC 256/23). The Regional Court suspended the proceedings until the proceedings in the suit brought by PEPEES against EPSILON for determining the loss of the voting rights have been concluded in a final and non-revisable manner. On 30.09.2024, the Regional Court in Białystok resumed the suspended proceedings and requested the parties to present the position, which PEPEES did on 31.10.2024. On 29.04.2025, a hearing was held at which the court heard the parties' positions once more, then closed the hearing and scheduled the date for the announcement of the judgement for 29.05.2025.

Within the remaining scope, there are no other significant litigations or proceedings in court, arbitration body or public administration authority with respect to liabilities or receivables of the Issuer or its subsidiaries.

9. Information on transactions with related entities

During the reporting period, the Parent Company – Przedsiębiorstwo Przemysłu Spożywczego "PEPEES" S.A., the Parent Company, entered into transactions with related entities, which were typical in nature, and resulted from current operating activities performed by "PEPEES" S.A. and its subsidiaries. These were arm's length transactions.

The operations of the PEPEES Capital Group are based on the activity of specialised entities whose profiles serve are complementary types of services. The aim of the cooperation of the Capital Group enterprises is to raise the level of using the resources which the entities have at their disposal and limit risk due to performed activities.

The allocation of risk and division of functions of the Group's enterprises enable the reduction of costs of operations and effective use of financial resources. Granting surety to liabilities, as well as the security of their repayment within the scope of related entities enables the quicker performance of agreements, which may contribute to the more efficient management of entities of the PEPEES Capital Group.

10. Information on sureties and guarantees granted

In the reporting period and until the date of preparation hereof, the companies from PEPEES Capital Group had not granted any securities or guarantees.

The total value of sureties or guarantees granted as 31.03.2025 by PEPEES amounts to PLN 12684 thousand.

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11. Other information that in the opinion of the Capital Group is essential for assessment of its personnel, economic, financial condition, financial result and their changes, and information that is significant for assessment of the Group's possibilities to fulfil obligations

In the period of Q1 2025, no other events were recorded than the ones described herein, which events could be essential for the assessment of its personnel, economic, financial situation, financial result and their changes, and information that could be significant for the assessment of the PEPEES Capital Group's options to fulfil their obligations.

12. Specification of factors which in the opinion of the Issuer and the Group will affect the results achieved by them in the perspective of at least the next quarter

In the Issuer's view, the key factors that will affect its performance in the near term are:

- macroeconomic situation in Poland and on foreign markets,
- volume and value of purchased potatoes, that is the main raw material for production,
- demand for and price of starch on the Polish and global market,
- exchange rates – the Group is an exporter (mainly PLN/USD, PLN/EUR),
- interest rates – the Group benefits from loans and leases whose interest rates are based on the WIBOR rate,
- fluctuations in the price of energy raw materials and energy, linked to the increased stringency of climate and environmental regulations,
- situation on the financial market – in particular credit opportunities,
- economic situation – level of GDP, demand for the Group's products and situation on the job market,
- hostilities in Ukraine and sanctions against Russia and Belarus and the economic impact thereof.
- disruptions in global trade resulting from the increase in customs duties by the USA and the introduction of retaliatory tariffs.

In the period of the next quarter of 2025, the PEPEES Capital Group will perform agreements executed and will conduct operating activities being the core of its functioning, including productive, commercial and service-related operations.

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13. Approval of the consolidated quarterly report

This Consolidated Quarterly Statement of the PEPEES Capital Group for Q1 ended on 31 March 2025 was approved for publication by the Management Board of Przedsiębiorstwo Przemysłu Spożywczego "PEPEES" Spółka Akcyjna in Łomża.

SIGNATURES OF THE MANAGEMENT BOARD MEMBERS OF THE PARENT COMPANY

President of the Management Board – Wojciech Faszczeński

Signed by /
Podpisano przez:

 Wojciech
Faszczeński

Date / Data: 2025-
05-22 10:51

Member of the Management Board – Tomasz Krzysztof Rogala

Signed by /
Podpisano przez:

 Tomasz Krzysztof
Rogala

Date / Data: 2025-
05-22 10:49

SIGNATURE OF THE PERSON WHO PREPARED THE STATEMENTS

Chief Accountant – Małgorzata Kordas

 Podpisano przez/ Signed by:
Małgorzata
Kordas
Data/ Date: 22.05.2025 09:00
mSzafir